PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 17, 2024

This Official Statement has been prepared on behalf of the State of Oregon Housing and Community Services Department to provide information on the Offered Bonds. Selected information is presented on this cover page for the convenience of the users. To make an informed decision regarding the Offered Bonds, a prospective investor should read this Official Statement in its entirety. Capitalized terms used and not otherwise defined on this cover page have the meanings given in this Official Statement.

NEW ISSUE

$163,740,000*
State of Oregon
Housing and Community Services Department
Mortgage Revenue Bonds
(Single-Family Mortgage Program)

$89,140,000*	$41,000,000*	$33,600,000*
2024 Series C	**2024 Series D**	**2024 Series E**
(Non-AMT)	**(Non-AMT)**	**(AMT)**
	(Variable Rate)	**(Variable Rate)**

Dated: Date of Closing/Settlement **Base CUSIP: 686087** **Due: As set forth on the inside cover page**

Tax Exemption In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Department, (1) under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (a) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, (b) interest on the Series C Bonds and the Series D Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax under the Code; *however*, interest on the Series C Bonds and the Series D Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, (c) interest on the Series E Bonds is treated as a preference item for purposes of calculating the alternative minimum imposed under the Code, and interest on the Series E Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code; and (2) under existing statutes, interest on the Offered Bonds is exempt from personal income taxes imposed by the State of Oregon. See "TAX MATTERS" herein.

Purpose and Authority The Offered Bonds are issued by the State, acting by and through the Office of the State Treasurer, at the request of the Department, to (1) refund, within 90 days of the date of issuance of the Series D Bonds and the Series E Bonds, certain prior Series of Bonds, (2) replace amounts that will be applied to refund, within 90 days of the date of issuance of the Series C Bonds, certain prior Series of Bonds, which will make an equal amount available to purchase newly-originated Mortgage Loans and Guaranteed Mortgage Securities, (3) purchase newly-originated Mortgage Loans and Guaranteed Mortgage Securities, (4) provide closing costs or down payment assistance and (5) make deposits into certain Accounts under the Indenture. The Offered Bonds are being issued pursuant to ORS 286A.001 to 286A.195, inclusive, and 456.515 to 456.725, inclusive, as amended, a Trust Indenture dated as of May 1, 1988, as amended and restated, by and between the State, acting by and through the Department, and U.S. Bank Trust Company, National Association, a national banking association organized under the laws of the United States, as the Trustee, and two Housing Finance Bond Declarations to be approved by and filed in the Office of the State Treasurer.

Security The Bonds are special revenue obligations of the State and are secured by a pledge of and security interest in all Revenues, the proceeds of the sale of Bonds, all right, title and interest of the Department in and to the Mortgage Loans and related mortgage notes and mortgages, the Guaranteed Mortgage Securities, and other moneys in Accounts established by or pursuant to the Indenture. **The Bonds are not general obligation indebtedness of the State or any political subdivision thereof. Neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to payment of the Bonds.**

Interest Payment Dates January 1 and July 1, commencing July 1, 2025*.

Denominations Series C Bonds: $5,000 or any integral multiple thereof.
Variable Rate Bonds in the Weekly Mode: $100,000 or any integral multiple of $5,000 in excess thereof.

Redemption The Offered Bonds are subject to redemption prior to maturity at the times, under the conditions and at the prices set forth under "THE OFFERED BONDS – Redemption Provisions" herein, including redemption without premium, from certain sources.

Variable Rate Bonds The Variable Rate Bonds will bear interest at the Weekly Rate as described under "The Offered Bonds – General" and "The Offered Bonds – Description of the Variable Rate Bonds" herein. **THIS OFFICIAL STATEMENT ONLY DESCRIBES THE VARIABLE RATE BONDS THAT ARE IN THE WEEKLY MODE PERIOD AND WHILE THE APPLICABLE INITIAL LIQUIDITY FACILITY IS IN EFFECT.**

Optional and Mandatory Tender of Variable Rate Bonds The Variable Rate Bonds in a Weekly Mode Period are subject to optional or mandatory tender for purchase as described under "The Offered Bonds – Description of the Variable Rate Bonds" herein. Variable Rate Bonds of a Series tendered but not remarketed by the Remarketing Agent will be purchased, subject to certain conditions precedent, by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "Bank"), pursuant to a related Initial Liquidity Facility. Each Initial Liquidity Facility will be a standby letter of credit, issued pursuant to a standby letter of credit and reimbursement agreement, by and between the State, acting by and through the Department, and the Bank.

SMBC

Each Initial Liquidity Facility expires on November 19, 2029* but may be renewed or extended as provided therein. Each Initial Liquidity Facility may be terminated prior to its stated expiration date under certain circumstances, and, in some circumstances, such termination may be immediate and without notice to holders of the related Variable Rate Bonds. In such event, no funds may be available pursuant to an Initial Liquidity Facility to purchase the related Series of Variable Rate Bonds. Jefferies LLC, will serve as the initial Remarketing Agent with respect to each Series of Variable Rate Bonds.

Closing/Settlement Expected to be available for delivery through the facilities of DTC, New York, New York, on or about November 20, 2024*.

Trustee U.S. Bank Trust Company, National Association.

Legal Counsel Hawkins Delafield & Wood LLP, Portland, Oregon and New York, New York, Bond Counsel to the Department; Kutak Rock LLP, Omaha, Nebraska, Underwriters' Counsel; Oregon Department of Justice, Salem, Oregon, the Department's Counsel; and Chapman and Cutler LLP, Chicago, Illinois, Bank Counsel.

Jefferies† **J.P. Morgan**

RBC Capital Markets **Morgan Stanley** **Raymond James** **Wells Fargo Securities**

October __, 2024

* Preliminary, subject to change.
† Sole underwriter with respect to the Variable Rate Bonds.

MATURITY SCHEDULE*

$89,140,000 2024 SERIES C BONDS (NON-AMT)

$34,960,000 Serial Bonds

Due	Amount	Interest Rate	Price	CUSIP† Number	Due	Amount	Interest Rate	Price	CUSIP† Number
July 1, 2025	$ 180,000	%	%	686087___	July 1, 2031	$1,580,000	%	%	686087___
January 1, 2026	1,195,000			686087___	January 1, 2032	1,625,000			686087___
July 1, 2026	1,225,000			686087___	July 1, 2032	1,665,000			686087___
January 1, 2027	1,255,000			686087___	January 1, 2033	1,710,000			686087___
July 1, 2027	1,290,000			686087___	July 1, 2033	1,760,000			686087___
January 1, 2028	1,320,000			686087___	January 1, 2034	1,810,000			686087___
July 1, 2028	1,355,000			686087___	July 1, 2034	1,860,000			686087___
January 1, 2029	1,390,000			686087___	January 1, 2035	1,910,000			686087___
July 1, 2029	1,425,000			686087___	July 1, 2035	1,965,000			686087___
January 1, 2030	1,460,000			686087___	January 1, 2036	2,020,000			686087___
July 1, 2030	1,500,000			686087___	July 1, 2036	1,920,000			686087___
January 1, 2031	1,540,000			686087___					

$5,755,000 ___% Term Bonds due July 1, 2038 Price: ___% CUSIP† Number 686087___
$48,425,000 ___% Term Bonds due July 1, 2054 (PAC) Price: ___% CUSIP† Number 686087___

$41,000,000 2024 SERIES D BONDS (NON-AMT) (VARIABLE RATE)

$41,000,000 Term Bonds due July 1, 2043 Price: 100% CUSIP† Number 686087___

$33,600,000 2024 SERIES E BONDS (AMT) (VARIABLE RATE)

$33,600,000 Term Bonds due July 1, 2045 Price: 100% CUSIP† Number 686087___

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* Preliminary, subject to change.

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This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Offered Bonds, in any jurisdiction in which it is unlawful for any person to make such offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized by the State of Oregon, including but not limited to the Department, to give any information or to make any representations, other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information set forth herein has been obtained from the State of Oregon, including but not limited to the Department, and other sources, including the Bank, which are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the State of Oregon, including but not limited to the Department, since the date hereof.

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IN CONNECTION WITH THE OFFER AND SALE OF THE OFFERED BONDS, THE UNDERWRITERS MAY EFFECT TRANSACTIONS WHICH TEND TO STABILIZE OR MAINTAIN THE MARKET PRICE OF THE OFFERED BONDS ABOVE THE LEVELS WHICH WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Caine Mitter & Associates Incorporated
Financial Advisor

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OFFICIAL STATEMENT

of the

STATE OF OREGON

Housing and Community Services Department

Relating to

$163,740,000*
Mortgage Revenue Bonds
(Single-Family Mortgage Program)

$89,140,000*	**$41,000,000***	**$33,600,000***
2024 Series C	**2024 Series D**	**2024 Series E**
(Non-AMT)	**(Non-AMT)**	**(AMT)**
	(Variable Rate)	**(Variable Rate)**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the inside cover page and the Appendices hereto, is to set forth information in connection with the sale by the State of Oregon (the "**State**") of its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series C (the "**Series C Bonds**"), its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series D (the "**Series D Bonds**"), and its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series E (the "**Series E Bonds**," and together with the Series D Bonds, the "**Variable Rate Bonds**"). The Series C Bonds, the Series D Bonds and the Series E Bonds are referred to herein collectively as the "**Offered Bonds**." The Offered Bonds are being issued pursuant to Sections 286A.001 to 286A.195, inclusive, and 456.515 to 456.725, inclusive, of the Oregon Revised Statutes ("**ORS**"), as amended (the "**Act**"), a Trust Indenture dated as of May 1, 1988, as amended and restated (the "**Indenture**"), by and between the State, acting by and through the Oregon Housing and Community Services Department (the "**Department**"), and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), and two Housing Finance Bond Declarations (each, a "**Bond Declaration**" and collectively, the "**Bond Declarations**") to be approved by and filed in the Office of the State Treasurer (the "**State Treasurer**"). Capitalized terms used and not otherwise herein defined have the respective meanings given such terms in the Indenture or in the Bond Declarations, as applicable.

The Offered Bonds are being issued by the State, acting by and through the State Treasurer, at the request of the Department. Proceeds of the Series C Bonds are expected to be used to (1) replace amounts which will be applied to refund, within 90 days of the date of issuance of the Series C Bonds, certain prior Series of Bonds, which will make an equal amount available to purchase newly-originated Mortgage Loans and Guaranteed Mortgage Securities, (2) purchase newly-originated Mortgage Loans and Guaranteed Mortgage Securities, (3) provide closing costs or down payment assistance in connection with such Mortgage Loans and (4) make deposits into certain Accounts under the Indenture, as described herein. Proceeds of the Variable Rate Bonds are expected to be used to refund, within 90 days of the date of issuance of the Variable Rate Bonds, certain prior Series of Bonds described herein (the "**Refunded Bonds**"). The Department expects to pay the costs related to the issuance of the Offered Bonds from available unrestricted funds of the Department.

State law requires the Oregon Legislative Assembly (the "**Legislative Assembly**") to establish the amount of bonds that may be issued during each two-year budget period (a "**biennium**") other than refunding bonds. There is no limit on the amount of refunding bonds which may be issued. The current biennium began on July 1, 2023, and ends on June 30, 2025 (the "**2023-25 Biennium**"). During its 2023 Regular Session, the Legislative Assembly authorized the Department to issue up to $500 million in direct revenue bonds during the 2023-25 Biennium. As of July 1, 2024, the Department had issued approximately $169,870,000 of direct revenue bonds in the 2023-2025 Biennium and had

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* Preliminary, subject to change.

approximately $330,130,000 of its 2023-2025 Biennium direct revenue bonds authority remaining, which amounts do not include the Offered Bonds or any other direct revenue bonds issued after July 1, 2024.

As of July 1, 2024, the Department had issued 251 Series of Bonds under the Indenture in an aggregate principal amount of $6,844,789,502, of which $1,002,445,000 in aggregate principal amount were Outstanding as of such date. The outstanding prior Series of Bonds, the Offered Bonds and any additional Bonds that may be issued in the future under the Indenture (collectively referred to as the "**Bonds**") are and will be on a parity, equally and ratably secured by the Indenture.

Each Series of Variable Rate Bonds will bear interest as described herein at an initial rate determined at or prior to delivery and at rates determined weekly thereafter (the "**Weekly Mode Period**"). See "THE OFFERED BONDS – Description of the Variable Rate Bonds – Interest Provisions" herein. Subject to the requirements of the Bond Declaration for the Variable Rate Bonds (the "**Variable Rate Bond Declaration**"), the Department may elect to change the manner in which the interest rate on any or all of the Variable Rate Bonds is determined (each a "**Mode**," and a change from one Mode to another Mode, a "**Mode Change**" with respect to the Variable Rate Bonds to which it applies) or to convert all or part of the Variable Rate Bonds to bear interest at a fixed rate or a rate determined pursuant to an index (a "**Conversion**" with respect to the Variable Rate Bonds to which it applies). The Variable Rate Bonds will be subject to mandatory tender for purchase in the event of a Mode Change or a Conversion. **THIS OFFICIAL STATEMENT ONLY DESCRIBES VARIABLE RATE BONDS THAT ARE IN THE WEEKLY MODE PERIOD AND WHILE THE RELATED INITIAL LIQUIDITY FACILITY IS IN EFFECT.**

Except as otherwise provided herein, the owners of any Variable Rate Bonds in a Weekly Mode Period are entitled to tender their Variable Rate Bonds for purchase at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase, upon satisfaction of the terms and conditions described herein. The Variable Rate Bonds are also subject to mandatory tender for purchase under certain circumstances described herein. Jefferies LLC is the initial remarketing agent for each Series of Variable Rate Bonds (the "**Remarketing Agent**").

Pursuant to the Variable Rate Bond Declaration, the Department will provide liquidity support for the purchase of Variable Rate Bonds in the Weekly Mode Period that are tendered for purchase and not remarketed in accordance with the terms of such Bond Declaration. Liquidity support for the Series D Bonds and the Series E Bonds will initially be in the form of two separate standby letters of credit (respectively, the "**Series D Initial Liquidity Facility**" and the "**Series E Initial Liquidity Facility**"; each, an "**Initial Liquidity Facility**" and collectively, the "**Initial Liquidity Facilities**"), each issued pursuant to a standby letter of credit and reimbursement agreement by and between the State, acting by and through the Department, and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "**Bank**"), which will be effective with respect to the related Variable Rate Bonds on their date of delivery (the "**Effective Date**"), and any Alternate Liquidity Facility, Non-Conforming Liquidity Facility or Self-Liquidity (each a "**Liquidity Facility**") described herein. If an Initial Liquidity Facility expires and is not extended or renewed, the related Variable Rate Bonds in the Weekly Mode Period are subject to mandatory tender for purchase.

The Series D Initial Liquidity Facility will only support the payment of the purchase price of the Series D Bonds, subject to the terms and conditions thereof, and the Series E Initial Liquidity Facility will only support the payment of the purchase price of the Series E Bonds, subject to the terms and conditions thereof. The Bank is obligated only for the amount payable under an Initial Liquidity Facility for the related series of Variable Rate Bonds and is not obligated to pay any amount payable under any other Liquidity Facility or for any Series of Variable Rate Bonds not supported by such Liquidity Facility. The Bank does not guarantee or otherwise support the payment of principal of or interest or redemption premium, if any, on any Variable Rate Bonds in the event of non-payment of such interest, principal or redemption premium, if any, by the Department.

Each Initial Liquidity Facility expires on November 19, 2029* but is subject to renewal at the option of the Bank as provided therein. Each Initial Liquidity Facility may be terminated prior to its stated expiration under certain circumstances. **In some circumstances such termination may be immediate and without notice to owners of the applicable Variable Rate Bonds, in which case no funds will be available under the applicable Initial Liquidity Facility to purchase the related Variable Rate Bonds that are tendered and not remarketed. The Department is**

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* Preliminary, subject to change.

not responsible for any failure of the Bank to purchase Variable Rate Bonds that are tendered or deemed tendered and not remarketed, and such an occurrence does not constitute an Event of Default under the Indenture. See "THE INITIAL LIQUIDITY FACILITIES" below and Appendix C hereto.

The Bank has not prepared or assisted in the preparation of this Official Statement, including any financial information included herein or attached hereto, and the Bank has no responsibility for the form and content of this Official Statement or any information omitted herefrom, other than solely with respect to the related information describing itself under the related heading Appendix D – "Information Concerning the Bank" hereto. The Bank has not independently verified, makes no representation regarding, nor accepts any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein or omitted herefrom, other than solely with respect to the related information describing itself under the related heading Appendix D – "Information Concerning the Bank" hereto. Accordingly, the Bank disclaims responsibility for the other information in this Official Statement or otherwise made in connection with the offering of the related Variable Rate Bonds.

Under the Indenture and in accordance with the Act, the State carries out a program (the "**Program**") of issuing Bonds to provide funds to the Department to make, purchase or otherwise finance mortgage loans relating to single family owner-occupied housing in the State, to purchase mortgage-backed securities secured or backed by such mortgage loans (the "**Guaranteed Mortgage Securities**"), to provide closing costs or down payment assistance, to make deposits in various Accounts established under the Indenture and to pay the costs of issuing Bonds. Mortgage loans financed with Bond proceeds, *other than* Underlying Loans (defined below), constitute "**Mortgage Loans**" under the Indenture and are subject to the requirements of the Indenture therefor. Mortgage Loans are financed pursuant to agreements between the Department and financial institutions meeting the criteria established for the Program (the "**Mortgage Lenders**"). While not a requirement of the Indenture, all Mortgage Loans to date have been Qualifying Loans (defined below), and the Department expects that all future Mortgage Loans will be Qualifying Loans. The Department also expects that all Guaranteed Mortgage Securities purchased with proceeds of the Offered Bonds will be secured only by Qualifying Loans.

As used in this Official Statement, (i) "**Qualifying Loans**" means mortgage loans that meet the requirements of federal tax law applicable to loans financed with proceeds of Qualified Mortgage Bonds (as defined under "THE PROGRAM – Requirements of Section 143 of the Code Relating to Certain Mortgage Loans and Underlying Loans" herein); (ii) "**Non-Qualifying Loans**" means mortgage loans that do not meet the requirements of federal tax law applicable to loans financed with proceeds of Qualified Mortgage Bonds; and (iii) "**Underlying Loans**" means mortgage loans underlying Guaranteed Mortgage Securities.

In addition to the Program, under the Department's Flex Lending Program, Flex Loans, which are Non-Qualifying Loans, are originated by Mortgage Lenders and pooled by a Master Servicer to underlie mortgage-backed securities, which may be either (i) Guaranteed Mortgage Securities to be purchased with Bond proceeds or (ii) MBSs (defined herein) to be sold to a purchaser in the to-be-announced ("**TBA**") mortgage-backed securities market. See "OTHER HOUSING FINANCE PROGRAMS OF THE DEPARTMENT – Flex Lending Program" and "– MBS Program" herein. The Department does not expect to purchase Guaranteed Mortgage Securities whose Underlying Loans are Flex Loans with proceeds of the Offered Bonds.

Following the issuance of the Series C Bonds and certain replacements and refundings described above, the Department expects to have available approximately $95,000,000* to purchase newly-originated Mortgage Loans and Guaranteed Mortgage Securities and to provide closing costs or down payment assistance. Mortgage Loans and Guaranteed Mortgage Securities, or portions thereof, financed from proceeds of or allocable to the Series C Bonds are referred to herein collectively as the "**2024 Series C Mortgage Loans and Guaranteed Mortgage Securities**."

Mortgage Loans and Underlying Loans financed with the proceeds of Bonds that are Qualified Mortgage Bonds, including the Offered Bonds, must comply with conditions for exclusion of interest on such Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "**Code**"). Actions taken by the Department with respect to the investment of the proceeds of the Offered Bonds and the disposition of the earnings therefrom are required to comply with certain conditions for the exclusion of

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* Preliminary, subject to change.

interest on the Offered Bonds from gross income for purposes of federal income taxation under the Code. Information relating to the exclusion of interest on the Offered Bonds from gross income for purposes of federal income taxation is contained under the caption “TAX MATTERS” herein.

Brief descriptions of the Offered Bonds, the Department, the security for the Bonds, the Program and the Indenture are included in this Official Statement. A Summary of Certain Mortgage Insurance and Security Guaranty Programs, selected Financial Statements of the Department, a Summary of Certain Provisions of each Initial Liquidity Facility, Information Concerning the Bank, information regarding DTC and its book-entry system, the Proposed Form of Continuing Disclosure Certificate, the Redemption Price Table for Certain Redemptions, the Projected Percentages of Initial Principal Balance Outstanding and Projected Weighted Average Lives for the PAC Bonds, a Summary of Certain Provisions of the Indenture, and the Form of Proposed Approving Opinion of Bond Counsel are included as Appendices A, B, C, D, E, F, G, H, I and J hereto, respectively. All references herein to the Indenture, the Bond Declarations, the Offered Bonds, each Initial Liquidity Facility and other documents are qualified in their entirety by reference to such instruments, documents and agreements, copies of which are available for inspection at the office of the Department.

THE DEPARTMENT

The Housing Division of the Department of Commerce of the State (the “**Housing Division**”) was established by the Act in 1971. On July 1, 1987, the Legislative Assembly dissolved the Department of Commerce and established the Oregon Housing Agency as an independent agency within the Executive Branch of State government and as the successor to the Housing Division. All of the staff and functions of the Housing Division were transferred to the Oregon Housing Agency. On July 1, 1991, the Legislative Assembly removed the State Community Services Division from the Department of Human Resources and merged it with the Oregon Housing Agency forming the current entity, the Housing and Community Services Department of the State. The Act empowers the Department to stimulate and increase the supply of housing for persons and families of lower income by acting as a central source of housing data and program information, training and education, planning and technical assistance, grants and loans. The Act also authorizes up to $2,500,000,000 in revenue bonds to be outstanding at any time to finance the construction, purchase and rehabilitation of housing for lower-income persons and families. The Department also has authority to issue State general obligation bonds to finance housing for elderly and disabled persons and to distribute federal tax credits for rental housing and homeownership.

From 1977 to July 1, 2024, the State, acting by and through the State Treasurer at the request of the Department, issued an aggregate principal amount of $12,278,446,390 of bonds and notes consisting of (a) $11,689,441,390 in aggregate principal amount of revenue bonds and notes and (b) $589,005,000 in aggregate principal amount of bonds representing general obligations of the State. As of July 1, 2024, $2,374,900,538 of the Department’s revenue bonds and $19,030,000 of the Department’s bonds representing general obligations of the State remained outstanding.

Organization

The Director of the Department is appointed by the Governor. A nine-member Oregon Housing Stability Council (formerly the State Housing Council, the “**Council**”) is also appointed directly by the Governor and confirmed by the Senate to assist in the development of housing policies for the Department and to submit proposed legislation to the Legislative Assembly on measures the Council considers necessary to address housing programs. The Chair of the Council is designated by the Governor. Loans for the purpose of financing a single-family residence in excess of limits established by the Council must first be approved by the Council. The Council also has a responsibility to comment upon and advise the Governor, the Legislative Assembly and governmental agencies regarding legislation, rules and other actions that affect the cost and supply of housing within the State. The following are the current Council members:

Name	Term Expires	Occupation
Claire Hall, Chair	June 30, 2026	County Commissioner
Javier Mena	June 30, 2026	Affordable Housing Professional
Sami Jo Difuntorum	June 30, 2027	Executive Director
Mary Li..	June 30, 2026	County Administrator
Mary Ferrell	June 30, 2024†	Executive Director
Sharon Nickleberry Rogers	June 30, 2025	Financial Analyst
Margaret Harris	June 30, 2028	Project Manager
Erin Meechan	June 30, 2028	Administrative Assistant
Kristy Rodriguez	June 30, 2027	Executive Director

† Serves until reappointed or a successor is appointed by the Governor.

As of July 1, 2024, the staff of the Department consisted of 382 persons including professionals with experience in the fields of finance, mortgage underwriting, architecture, planning, economics, site and market analysis, construction inspection and property management. The Department provides services in these fields for its projects and programs and uses professional consulting services in these and other technical fields to supplement its own staff. The Oregon Department of Justice serves as counsel to the Department. The following individuals are the principal staff members of the Department who are directly involved in administering the Program.

Andrea Bell serves as the Director of the Oregon Housing and Community Services Department, where she oversees the strategic direction, vision and growth of the Department. In her previous role with the Department, she served as Director of Housing Stabilization, where she led the implementation of a wide range of homeless services, energy and weatherization assistance, rental assistance programs and policy initiatives. Most recently, she served as the Housing Director within the State's Medicaid system, where she directed the operations and expansion of State-funded Permanent Supportive Housing programs, as well as deployed sustainable solutions to end homelessness and align funding and policy at the intersection of health and housing. Ms. Bell holds a master's degree in Public Health from Arizona State University and a bachelor's degree from California State University Northridge.

Caleb Yant serves as the Department's Deputy Director. Prior to assuming this role, Mr. Yant previously served as Chief Financial Officer from July 2014 to October of 2020. Prior to joining the Department, Mr. Yant served as the administrator of the Oregon Affordable Housing Assistance Corporation, a nonprofit associated with the Department that administers federal foreclosure prevention funds from the U.S. Treasury. Mr. Yant previously worked as a senior finance manager for the University of Phoenix for eight years. Mr. Yant has extensive experience in regulatory compliance, accounting and finance. He holds a Master in Business Administration from University of Phoenix and a Bachelor of Science in Business Administration from Oregon State University, with an emphasis in Accounting.

Dean Criscola serves as the Department's Controller. Prior to assuming this role, Mr. Criscola served as the Financial Services Manager for the Oregon Employment Department from April 2017 until January 2022. Prior to working for the State, Mr. Criscola had a 35-year federal career, including four years at Western Area Power Administration as its Chief Financial Officer in Phoenix, Arizona and 31 years with the U.S. Army Corps of Engineers in various locations, most recently as the Portland District's Chief Financial Officer from 2003-2017, performing accounting, budgeting and internal review. Mr. Criscola holds a Master in Business Administration from Gonzaga University with undergraduate majors in Industrial Accounting and Personnel and Human Relations, also from Gonzaga, as well as CGFM Certification.

Scott Shaw serves as the Department's Homeownership Lending Manager. Prior to assuming this role Mr. Shaw was the Homeownership Division's Senior Program Analyst from March 2020 until December 2021. From December 2018 until March 2020 Mr. Shaw served in the Department's Affordable Rental Housing Division as a Production Analyst for Low Income Housing Tax Credits (LIHTC's) transactions. Prior to joining the Department, he spent 23 years in the mortgage banking industry, the most recent 11 years in capital markets as a Secondary Marketing Manager.

Matthew Harris serves as the Assistant Director of Capital Markets of the Department. Prior to joining the Department in July 2021, Mr. Harris served as a Debt Program Manager for the Oregon State Treasury. From July 2013 to May 2020, Mr. Harris served as the Senior Debt Analyst for nearly 6 years, and then as the Debt Manager at the Oregon Department of Transportation. Mr. Harris also served as a Debt Analyst for the Oregon State Treasury from

April 2008 through July 2013. Mr. Harris holds a Master of Business Administration from the Atkinson Graduate School of Management at Willamette University as well as a Bachelor of the Arts from Willamette University, majoring in Computer Science.

Siora Arce serves as the Department's Debt Manager. Prior to joining the Debt Management Division at the Department, she served as a Finance Coordinator and Payroll Accountant for Oregon State University for 8 years and as a Senior Financial Accountant for Sunwest Management Inc. for 7 years. Ms. Arce holds a Bachelor of Science in Business and Economics from Western Oregon University with a minor in Accounting.

Funds and Accounts of the Department

The Act authorizes the State, through the Department, to carry out certain housing programs and establishes the Elderly and Disabled Housing Fund and the Housing Finance Fund. The Elderly and Disabled Housing Fund consists of all funds relating to programs of the Department financed with general obligation bonds issued by the State under Article XI-I(2) of the Oregon Constitution. The Housing Finance Fund consists of all funds relating to programs of the Department financed with revenue bonds issued by the State, including the proceeds of revenue bonds and fees and charges received under such programs. The Act specifically provides that the State, through the Department, may enter into agreements with the owners of revenue bonds, such as the Bonds, pledging specific assets of the Housing Finance Fund and providing for the disposition of certain income.

Program Accounts in the Housing Finance Fund

The State has entered into indentures of trust securing bonds issued to finance certain programs of the State administered by the Department. Each indenture of trust establishes specific accounts within the Housing Finance Fund which separately secure the bonds issued under such indenture, directs certain income received by the State pursuant to such programs to be deposited in such accounts and pledges assets on deposit in such accounts that are transferred to the trustee as security for bonds issued pursuant to such indenture. Each indenture of trust provides that revenues remaining after the payment of debt service in each year upon satisfaction of certain other conditions may, in the discretion of the Department, be transferred to other accounts within the Housing Finance Fund. The State has entered into separate indentures of trust relating to the Department's Multifamily Housing Revenue Bonds, Housing Revenue Bonds and certain other bonds and notes which have been paid in full and are no longer outstanding. The State has entered into the Indenture relating to the Bonds, and the accounts thereunder are part of the Housing Finance Fund. For information pertaining to accounts relating to the Program, see "FINANCIAL STATEMENTS" herein. The revenues and assets of the Department which are pledged pursuant to the Indenture securing the Bonds and the conditions precedent to the release of excess revenues are more fully described under the caption "SECURITY FOR THE BONDS" herein.

Combined Program Account in the Housing Finance Fund

Pursuant to an indenture of trust between the State and U.S. Bank Trust Company, National Association, as successor trustee, dated December 1, 1980 (the "**Combined Program Account Indenture**"), the Combined Program Account (the "**Combined Program Account**") was established and exists within the Housing Finance Fund. As of July 1, 2024, the unaudited balance in the Combined Program Account was $21,263,926. Amounts on deposit in such account are pledged to the payment of the principal or redemption price of and interest on certain bonds issued by the State to the extent that the revenues and assets specifically pledged to such bonds are insufficient to make such payments. Bonds benefitting from such pledge currently include the Bonds. The Combined Program Account Indenture permits amounts on deposit to be pledged to the payment of bonds and notes to be issued to finance other programs and the establishment of preferences or priorities with respect to particular bonds and notes. The Combined Program Account Indenture also permits amounts on deposit to be expended for the making of deposits into reserve accounts pledged to specific bonds and notes and for the payment of the State's expenses in carrying out and administering its various programs under the Act as defined in the Combined Program Account Indenture. The Department may from time to time pledge amounts available under the Combined Program Account for other purposes permitted by the Act and the Combined Program Account Indenture, including as collateral for certain Section 8 rental assistance funds received by the Department from the United States Department of Housing and Urban Development. Amounts on deposit in the Combined Program Account may be invested in obligations which are legal for investment of the funds of the State, including loans which the Department is permitted to make or purchase pursuant to the Act. The Department anticipates that any additional funding for the Combined Program Account will be from interest income on funds on deposit in the Combined Program Account. The Combined Program Account also could be funded by permitted transfers from the accounts securing the Bonds and other bonds secured by a pledge of such account, but no such transfers are presently expected. There can be no assurance that sufficient moneys will be available in the Combined Program Account if such moneys should be required for the payment of principal of or interest on the Bonds.

Cybersecurity

The Department relies on a complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Department faces multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware, phishing, business email compromise, theft, destruction, and other attacks on computers, servers, cloud resources, and other sensitive digital networks, systems, and assets. Housing finance authorities and other public finance entities have been targeted by outside third parties, including technically sophisticated and well-resourced actors, attempting to misappropriate assets or information or cause operational disruption and damage. Further, third parties, such as hosted solution providers, that provide various technology services to the Department, could also be a source of security risk in the event of a failure of their own security systems and infrastructure.

The State has adopted the National Institute of Standards and Technology Cybersecurity Framework (the "**NIST Cybersecurity Framework**") as a defining roadmap for reducing or mitigating risks or damage resulting from cybersecurity incidents. Enterprise Information Services ("**EIS**"), which is responsible for all State Information Technology ("**IT**") and computer systems, has established Statewide Information Security Standards for information systems security. The Statewide Information Security Standards and recommended best practices have been developed using a combination of international and national standards, including the NIST Cybersecurity Framework. These standards promote the development, implementation, and operation of secure information systems by establishing minimum levels of due diligence for information security. All State Executive Branch employees, including those of the Department and the State Treasurer, are required to take annual information security training. Executive Branch, Department and State Treasurer information security training completion rates for calendar year 2023 were 95 percent, 94 percent and 100 percent, respectively.

EIS directs Information Security strategies and policies statewide. In August 2018, the State adopted a Statewide Information Security Plan to apply relevant safeguards to State agencies and State information, IT systems, networks, and applications. Compliance with this information security plan and statewide policies and standards is mandatory. Enterprise security governance was modified as a result of Executive Order 16-13 and ORS 276A.206, which unify information technology security functions under the authority of the State Chief Information Officer. Major cybersecurity initiatives that address findings of federal and state audits and cybersecurity risk assessments are coordinated through the Enterprise Leadership Team, which provides strategic direction for the executive agencies of the State. Agencies with elected leadership (Secretary of State, State Treasurer and Attorney General), the Legislature and Judiciary are coordinated within the implementation of cybersecurity initiatives to maximize the protection of critical State systems and data from a common threat.

Consistent with these State directives, the Department uses a layered approach that employs sound operational strategies and security technology solutions to secure against, detect, and mitigate the effects of cyber threats on its infrastructure and information assets. The Department conducts regular information security and privacy awareness training that is mandatory for all Department staff and regularly conducts risk assessments and tests of its cybersecurity systems and infrastructure. The Department's Chief Information Officer focuses on and leads the efforts of the Department to keep its cyber assets secure.

Despite its efforts, no assurances can be given that the Department's security and operational control measures will be successful in guarding against any and each cyber threat and attack, especially because the techniques used are increasingly sophisticated, change frequently, are complex, and are often not recognized until launched. To date, cyber-attacks have not had a material impact on the financial condition, results or business of the Department; however, the Department is not able to predict the severity of these attacks. The results of any attack on the Department's computer and information technology systems, as well as any third party hosted solutions utilized by the Department, could impact its operations for an unknown period of time, damage the Department's digital networks and systems, and damage the Department's reputation, financial performance, and customer or vendor relationships. Such an attack could also result in litigation or regulatory investigations or actions, including regulatory actions by state and federal governmental authorities. The costs of remedying any such damage could be substantial and such damage to the Department's reputation and relationships could adversely affect the Department's ability to make loans and issue Bonds in the future.

SECURITY FOR THE BONDS

Under the Indenture, the Bonds are secured by a pledge of and security interest in (1) all Revenues, as defined in the Indenture (primarily payments of principal of and interest on Mortgage Loans and Guaranteed Mortgage Securities), (2) the proceeds of the sale of Bonds (other than the proceeds pledged to the redemption of any prior Series of Bonds), (3) all right, title and interest of the Department in and to the Mortgage Loans and related mortgage notes and mortgages and the Guaranteed Mortgage Securities and (4) all other moneys in the Accounts established by or pursuant to the Indenture. The amounts on deposit in the Combined Program Account, to the extent available, may be used as an additional source of funds for the payment of principal of and interest on the Bonds. The lien of the Indenture is imposed on payments of principal of and interest on Mortgage Loans and Guaranteed Mortgage Securities only upon the deposit of such payments with the Trustee, which deposit is required under the Indenture to be made no less frequently than once each six months. Upon receipt of moneys and prior to deposit with the Trustee, the Department deposits such moneys with the Oregon Short Term Fund administered by the State Treasurer. On any interest payment date and after the payment of principal of and interest on the Bonds and the satisfaction of the requirements of all Accounts (other than the Insurance Reserve Account), the Department may direct that amounts on deposit in the Revenue Account, other than with respect to Expenses, be transferred to the Department free and clear of the pledge and lien of the Indenture, provided that no such transfer will be made unless (1) a Cash Flow Statement has been filed with the Trustee in accordance with the Indenture and (2) the amount on deposit in the Acquisition Account, the Revenue Account and the Debt Reserve Account, after any such transfer is made, plus the outstanding principal amount of Mortgage Loans and Guaranteed Mortgage Securities, plus accrued interest, is at least equal to 102% of the aggregate principal amount of Outstanding Bonds, plus accrued interest.

Amounts on deposit in the Combined Program Account are pledged and may in the future be pledged to the payment of the principal of and interest on certain revenue bonds issued to finance programs of the Department, including the Bonds, to the extent that the revenues and assets specifically pledged to such bonds are insufficient to make such payments. Amounts on deposit in the Combined Program Account may also be withdrawn at any time to be used to pay expenses of administering programs under the Act, to establish reserves for such expenses and to make deposits into reserve accounts pledged to specific bonds and notes. There can be no assurance that sufficient moneys will be available in the Combined Program Account if such moneys should be required for the payment of principal of or interest on the Bonds.

The Bonds are special revenue obligations of the State and are payable as to principal, redemption price and interest solely from the revenues and assets pledged for the payment thereof. The Bonds are not general obligation indebtedness of the State or any political subdivision thereof. Neither the full faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the Bonds.

Mortgage Loans

Security Requirements

Each Mortgage Loan must be (1) secured by a deed of trust evidencing a first mortgage lien (subject to Permitted Encumbrances) on residential housing for occupancy by one family, (2) made substantially in accordance with the current standard underwriting policies of the Mortgage Lenders and of the Program and (3) covered by a title insurance policy insuring the deed of trust is a valid first lien (subject to Permitted Encumbrances) on the residential property. Each residential property on which a Mortgage Loan is made must be covered by a fire and extended coverage insurance policy in an amount at least sufficient to protect the interests of the Department.

Mortgage Insurance Requirements

Subject to (c) below,

(a) The original principal amount of each Mortgage Loan, unless such Mortgage Loan is the subject of insurance or guaranty by the Federal Housing Administration ("**FHA**"), the U.S. Department of Veterans Affairs ("**VA**") or the United States of America, acting through Rural Housing Service of the United States Department of Agriculture ("**RHS**"), or any successor to the foregoing entities, may not exceed 97% of the Value of the Property;

(b) Mortgage Loans financed by a Series of Bonds must consist of one of the following (in each case, subject to any additional requirements imposed by the related Housing Finance Bond Declaration):

(i) any Mortgage Loan insured by FHA;

(ii) any Mortgage Loan guaranteed by the VA as to which the unguaranteed portion of the principal amount thereof does not exceed (1) 58% of the Value of the Property or (2) the principal amount entitled to the benefits of Mortgage Pool Insurance or the Insurance Reserve Account;

(iii) any Mortgage Loan guaranteed by RHS as to which (1) the unguaranteed portion of the principal amount thereof does not exceed 50% of the Value of the Property and (2) coverage of the unguaranteed portion thereof is provided by the Insurance Reserve Account;

(iv) any Mortgage Loan which has a loan-to-Value of the Property ratio no greater than 75%;

(v) any Mortgage Loan which has a loan-to-Value of the Property ratio in excess of 80% as to which (1) Private Mortgage Insurance coverage thereof results in the uninsured portion of the principal amount thereof not exceeding 58% of the Value of the Property or (2) Private Mortgage Insurance coverage thereof results in the uninsured portion of the principal amount thereof not exceeding 72% of the Value of the Property and coverage thereof by Mortgage Pool Insurance or the Insurance Reserve Account is applicable; or

(vi) any Mortgage Loan which has a loan-to-Value of the Property ratio which is in excess of 75% and no greater than 80% and which is covered by Mortgage Pool Insurance or the Insurance Reserve Account; and

(c) The provisions described in (a) and (b) above will not apply to any Mortgage Loan to the extent that not applying one or more such provisions to such Mortgage Loan will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies.

Insurance Reserve Account

Mortgage Loans will be covered by the Insurance Reserve Account as described above under "Mortgage Insurance Requirements" and to the extent of any additional requirement contained in any Housing Finance Bond Declaration. Any such coverage will be provided by initially funding the Insurance Reserve Account in an amount equal to the greater of:

(a) the amount established in the related Housing Finance Bond Declaration, or

(b) the following percentages of the original principal amount of such Mortgage Loans:

(1) in the case of Mortgage Loans not insured or guaranteed by FHA, the VA or RHS whose original principal amount exceeds 95% of the Value of the Property, 4.5%;

(2) in the case of Mortgage Loans described in (b)(iii) under "Mortgage Insurance Requirements" above, 3% (or such lesser percentage as provided in a Director's Determination if at the time thereof so providing will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies); or

(3) in all other cases, 2%.

The Department will make a claim on Mortgage Pool Insurance or withdraw funds from the Insurance Reserve Account to the extent of any net loss as a result of a default in the payment of principal of or interest on a Mortgage Loan entitled to the benefits thereof. The Department may also withdraw funds from the Insurance Reserve Account as an advance against any amount not received by the Department as a result of a default in the payment of principal of or interest on any Mortgage Loan entitled to the benefits of the Insurance Reserve Account. If the Department withdraws funds for such an advance, the Department is required to reimburse the Insurance Reserve Account for such amount from the proceeds of insurance, guarantee or foreclosure received with respect to such Mortgage Loan.

The Housing Finance Bond Declarations relating to the prior Series of Bonds generally require that newly-originated Mortgage Loans purchased with the proceeds of such Series of Bonds be insured by FHA and be entitled to the benefits of the Insurance Reserve Account and that there be on deposit in the Insurance Reserve Account an amount equal to 2% of the outstanding principal amount of each such newly-originated Mortgage Loan or, pursuant to the Housing Finance Bond Declarations relating to certain Series of Bonds issued subsequent to the 1994 Series B Bonds, such lesser amount as may be otherwise established in a Director's Determination. In addition, the Housing Finance Bond Declarations relating to Bonds issued subsequent to the 1995 Series A Bonds permit the financing of Mortgage Loans which are VA-guaranteed, uninsured or insured by Private Mortgage Insurance, all in accordance with the requirements of the related Housing Finance Bond Declaration. The Housing Finance Bond Declarations relating to the 1999 Series A Bonds and 1999 Series B Bonds and all Bonds issued subsequent thereto permit the financing of Mortgage Loans which are guaranteed by RHS and require that such Mortgage Loans be entitled to the benefits of the Insurance Reserve Account and that there be on deposit in the Insurance Reserve Account an amount equal to 3% of the outstanding principal amount of each such newly-originated Mortgage Loan. The Department obtained Mortgage Pool Insurance covering certain Mortgage Loans that are insured by Private Mortgage Insurance and were purchased with the proceeds of each Series of Bonds issued after 1995; the Department has maintained such Mortgage Pool Insurance in effect or has provided coverage for such Mortgage Loans under the Insurance Reserve Account. The Housing Finance Bond Declaration relating to the 1991 Series D Bonds required that Mortgage Loans acquired with the proceeds of such Series of Bonds and originally financed with the proceeds of certain of the Department's Housing Finance Revenue Bonds (Single-Family Mortgage Program) be entitled to the benefits of the Insurance Reserve Account and that an amount equal to 3% of the outstanding principal amount of each such Mortgage Loan as of the date of acquisition by the Department be on deposit in the Insurance Reserve Account of such Series of Bonds.

As of July 1, 2024, the unaudited balance on deposit in the Insurance Reserve Account was $21,080,452, which is an amount at least equal to the amount required to be on deposit in the Insurance Reserve Account for Mortgage Loans entitled to the benefits of such Account that were financed or are expected to be financed with funds relating to the prior Series of Bonds.

Guaranteed Mortgage Securities

Each Guaranteed Mortgage Security, at the time of acquisition by the Department, must have been issued by or guaranteed as to payment of principal and interest by the Government National Mortgage Association ("**GNMA**"), Fannie Mae, the Federal Home Loan Mortgage Corporation ("**Freddie Mac**") or any other agency or instrumentality of or chartered by the United States which has similar powers. As of July 1, 2024, the Department has purchased one Guaranteed Mortgage Security with Bond proceeds. See "THE PROGRAM – Certain Information Relating to Outstanding Guaranteed Mortgage Securities" below. The Department reasonably expects to use a portion of the proceeds of, or allocable to, the Series C Bonds to purchase Guaranteed Mortgage Securities, which may include UMBSs (defined below). However, no assurance can be given that any such Guaranteed Mortgage Securities will be purchased with such proceeds or proceeds of, or allocable to, any Bonds or as to the aggregate principal amount of Guaranteed Mortgage Securities purchased with Bond proceeds, including proceeds of the Series C Bonds.

On June 3, 2019, Fannie Mae and Freddie Mac (each, an "**Enterprise**" and, together, the "**Enterprises**") began issuing new, common, single mortgage-backed securities, formally known as Uniform Mortgage-Backed Securities ("**UMBSs**"). The UMBSs issued by the Enterprises finance the same types of fixed-rate mortgages that back Fannie Mae Securities and Freddie Mac Securities (each such term as defined in Appendix A hereto) and are guaranteed by either Fannie Mae or Freddie Mac depending upon which Enterprise issues the UMBS. Each UMBS is backed by fixed-rate mortgage loans purchased entirely by one of the Enterprises; thus, there is no comingling of collateral. The UMBSs have characteristics similar to Fannie Mae Securities, and Freddie Mac has modified its security structure to more closely align with Fannie Mae Securities. The Enterprises may be required to consult with each other to ensure specific Enterprise programs or policies do not cause or have potential to cause cash flows to investors of mortgage-backed securities to misalign. For purposes of this Official Statement and the Indenture, the term "Guaranteed Mortgage Securities" includes UMBSs.

Debt Reserve Account

The Indenture establishes a reserve account (the "**Debt Reserve Account**") and provides that the requirement for such Account (the "**Debt Reserve Requirement**") is an amount equal to the aggregate of all amounts established with respect to each Series of Bonds, which must at least equal 3% of the outstanding aggregate principal amount of all Bonds, provided that no Housing Finance Bond Declaration relating to a Series of Bonds intended by the Department to be federally tax-exempt will establish any such requirement in an amount that, in the opinion of Bond Counsel, will cause interest on such Series of Bonds to be included in gross income for federal income tax purposes.

The money in the Debt Reserve Account is available to be used to pay the principal of and interest on the Bonds, to the extent that the amount necessary is not available in the Revenue Account.

Upon the issuance of the Offered Bonds, the Debt Reserve Account will have at least $32,323,350* on deposit, which is an amount at least equal to the Debt Reserve Requirement. On each interest payment date, amounts in the Debt Reserve Account in excess of the Debt Reserve Requirement may be transferred upon request by the Department to the Revenue Account and, thereafter, treated as Revenues.

Pursuant to the Act, a "capital reserve account" could be established under the Indenture. If a capital reserve account was so established, the Act requires that the Director certify to the Governor and the Legislative Assembly the amount, if any, needed to restore such capital reserve account to its required amount, and the Legislative Assembly would then consider whether or not to appropriate the amount so certified. The Debt Reserve Account is not a capital reserve account and is not subject to the provisions of the Act relating to a capital reserve account. The Indenture contains no requirement that such an account be established with respect to any Series of Bonds.

Cash Flow Statements

In accordance with the Indenture, the Department is required to prepare a Cash Flow Statement (1) at least annually as of the close of each Bond Year within 180 days of the end of each Bond Year, (2) upon the issuance of a Series of Bonds, (3) whenever amounts are to be applied to redeem or purchase Bonds, or whenever Revenues, including Prepayments, are to be applied to the acquisition of Mortgage Loans or Guaranteed Mortgage Securities, in a manner not reflected in the current Cash Flow Statement, (4) whenever amounts are to be released from the lien of the Indenture to an extent not reflected in the current Cash Flow Statement and (5) whenever required by a Housing Finance Bond Declaration. Each Cash Flow Statement will demonstrate that in the current and each succeeding Bond Year the amounts then expected to be on deposit in the Accounts (other than the Insurance Reserve Account) in each such Bond Year will be at least equal to all amounts required to pay the Parity Obligations and all Expenses in each such Bond Year. A Cash Flow Statement prepared for the issuance of a Series of Bonds may reflect the information contained in the most recent Cash Flow Statement, modified to show the issuance of such Series of Bonds and the receipt of any Revenues and the payment of any Parity Obligation Instruments which reflect events that have occurred and, as determined by the Department, may have a materially adverse effect on the ability of the Department to pay the Parity Obligations, including principal of and interest on the Bonds, and Expenses when due. If the annual Cash Flow Statement shows an inability by the Department to pay Parity Obligations and all Expenses in the current or any future Bond Year, no default

* Preliminary, subject to change.

occurs under the Indenture, but the Department is required to take all reasonable actions to provide for the payment of Parity Obligations and Expenses when due. The Department is precluded from issuing additional Bonds, redeeming or purchasing Bonds, applying Revenues to the acquisition of Mortgage Loans or Guaranteed Mortgage Securities or releasing amounts from the lien of the Indenture, if the current Cash Flow Statement shows that the taking of such action will result in or increase the inability of the Department to pay Parity Obligations and all Expenses in the current or any future Bond Year.

Additional Bonds

The Indenture permits the issuance of additional Bonds to provide funds for the purpose of purchasing Mortgage Loans or Guaranteed Mortgage Securities and, in addition, to refund outstanding Bonds issued under the Indenture or certain other indentures, if such additional Bonds meet all the requirements of the Indenture. Any additional Bonds issued under the Indenture will be on parity with all other Bonds Outstanding and any other Parity Obligations and will be entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Indenture.

THE OFFERED BONDS

General

The Offered Bonds will be dated their date of delivery and will mature on the dates and in the amounts set forth on the inside cover page. The Series C Bonds will bear interest at the rates set forth on the inside cover page from the later of their date of delivery or most recent interest payment date, payable on the dates set forth on the cover page. Interest on the Series C Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Variable Rate Bonds will bear interest as provided under "Description of the Variable Rate Bonds – Interest Provisions" below. The Offered Bonds are issuable only as fully-registered Bonds. The Series C Bonds will be issued in denominations of $5,000 or any integral multiple thereof, and the Variable Rate Bonds will be issued in denominations of $100,000 or integral multiples of $5,000 in excess thereof.

DTC

The Offered Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for the Depository Trust Company ("**DTC**"), New York, New York, which will act as securities depository for the Offered Bonds. Purchases of the Offered Bonds will be in book-entry form only in the denominations described above. Payments of principal of and interest on the Offered Bonds will be made by wire transfer from the Trustee to Cede & Co. as registered owner. If the date for making any payment of principal or premium, if any, or interest on the Bonds is a legal holiday or a day on which banking institutions in the city where the Trustee is located are authorized by law to remain closed, such payment may be made, with the same force and effect as if done on such date, on the next succeeding day which is not a legal holiday or not a day on which such banking institutions are authorized by law to remain closed. Certain information relating to DTC and book-entry is contained in Appendix E hereto.

Application of the Proceeds of the Offered Bonds*

The proceeds of the Variable Rate Bonds are expected to be applied within 90 days of the date of issuance of the Variable Rate Bonds to redeem the Refunded Bonds (such Refunded Bonds are noted under the caption "THE PROGRAM – Outstanding Mortgage Revenue Bonds"). In connection with such redemptions, all assets, including Mortgage Loans (the "**Transferred Loans**"; Transferred Loans allocable to the Series D Bonds and the Series E Bonds respectively, the "**Series D Transferred Loans**" and the "**Series E Transferred Loans**") and reserves, currently allocated under the Indenture to the Refunded Bonds, which are already pledged to the Bonds, will be reallocated to the respective Series of Variable Rate Bonds.

* Preliminary, subject to change.

Following certain replacements and refundings described above, the proceeds of the Series C Bonds are expected to be applied approximately as follows:

For deposit in the 2024 Series C Acquisition Subaccount	$
For deposit in the Debt Reserve Account	
Total	**$**

The Department will pay the costs related to the issuance of the Offered Bonds from available unrestricted funds of the Department.

Redemption Provisions*

The Offered Bonds are subject to redemption prior to maturity upon notice by the Trustee from Sinking Fund Requirements, special redemption and/or optional redemption, as described below.

Sinking Fund Redemption

The Series C Bonds maturing on July 1, 2038 are subject to mandatory redemption in part by lot at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the amounts as follows:

Year	Principal Amount (January 1)	Principal Amount (July 1)	Year	Principal Amount (January 1)	Principal Amount (July 1)	
2037	$1,745,000	$1,675,000	2038	$1,730,000	$605,000	(maturity)

The Series C Bonds maturing on July 1, 2054 (the "**PAC Bonds**") are subject to mandatory redemption in part by lot at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the amounts as follows:

Year	Principal Amount (January 1)	Principal Amount (July 1)	Year	Principal Amount (January 1)	Principal Amount (July 1)	
2046	$ 800,000	$2,550,000	2051	$2,765,000	$2,880,000	
2047	2,430,000	2,465,000	2052	3,000,000	3,120,000	
2048	2,415,000	2,365,000	2053	3,250,000	3,380,000	
2049	2,355,000	2,450,000	2054	3,430,000	3,560,000	(maturity)
2050	2,550,000	2,660,000				

The Series D Bonds are subject to mandatory redemption in part by lot at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the amounts as follows:

Year	Principal Amount (January 1)	Principal Amount (July 1)	Year	Principal Amount (January 1)	Principal Amount (July 1)	
2034	$ -	$ 685,000	2039	$2,270,000	$2,300,000	
2035	2,040,000	2,070,000	2040	2,330,000	2,360,000	
2036	2,095,000	2,125,000	2041	2,395,000	2,425,000	
2037	2,150,000	2,180,000	2042	2,455,000	2,490,000	
2038	2,210,000	2,240,000	2043	2,520,000	1,660,000	(maturity)

The Series E Bonds are subject to mandatory redemption in part by lot at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, on the dates and in the amounts as follows:

Year	Principal Amount (January 1)	Principal Amount (July 1)	Year	Principal Amount (January 1)	Principal Amount (July 1)	
2038	$1,180,000	$1,835,000	2042	$2,210,000	$2,270,000	
2039	1,885,000	1,935,000	2043	2,315,000	2,370,000	
2040	1,985,000	2,040,000	2044	2,435,000	2,500,000	
2041	2,095,000	2,155,000	2045	2,565,000	1,825,000	(maturity)

Special Redemption

The Offered Bonds are subject to redemption, at the option of the Department, in whole or in part, at any time, from proceeds thereof available for the financing of Mortgage Loans or Guaranteed Mortgage Securities or the redemption of certain prior Series of Bonds which are not applied thereto ("**Unexpended Proceeds**"), at a Redemption Price equal to (1) in the case of the Offered Bonds other than the PAC Bonds, the principal amount thereof, without premium, and (2) in the case of the PAC Bonds, the respective Redemption Prices set forth in Appendix G hereto, in each case plus accrued interest to the redemption date. The Code currently requires that approximately $75,000,000 of nonrefunding proceeds of the Series C Bonds available for the financing of Mortgage Loans or Guaranteed Mortgage Securities which are not applied thereto must be applied to redeem the Series C Bonds within 42 months of the date of issuance thereof. The Department has not redeemed any Bonds of any Series from the Unexpended Proceeds thereof since 1996.

The Offered Bonds are also subject to redemption, at the option of the Department, in whole or in part, at any time, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, from Revenues from any Series of Bonds, *except* as set forth under "Special Redemption of the PAC Bonds" below, including amounts resulting from Prepayments and reductions in the Debt Reserve Requirement, but *excluding* (1) proceeds of the sale of Mortgage Loans, unless such Mortgage Loans are in default in accordance with their terms, are sold to preclude the interest on Bonds from being includable in gross income for federal income tax purposes, violate requirements of the Program, or are sold to protect the interest of Bondowners, as determined by the Department, and (2) proceeds of the sale of Guaranteed Mortgage Securities.

Applicable federal tax law currently requires redemption of the Offered Bonds on or before certain dates and in certain amounts in order to maintain the exclusion from gross income for federal income tax purposes of interest thereon as discussed under "THE PROGRAM – Requirements of Section 143 of the Code Relating to Certain Mortgage Loans and Underlying Loans – Repayment of Issue." It is currently expected that the following approximate percentages of principal repayments and prepayments of 2024 Series C Mortgage Loans and Guaranteed Mortgage Securities and Transferred Loans received on or after the dates set forth in the following table, will be required by the Code to be applied no later than the close of the first semiannual period beginning after the date of receipt to the retirement of the Offered Bonds.

Date	Approximate Percentage
November 20, 2024	11%
December 18, 2024	12
September 1, 2025	25
May 31, 2026	26
October 12, 2027	28
June 5, 2028	29
September 25, 2028	30
December 19, 2028	54
September 19, 2029	56
November 20, 2034	100

Such percentages and dates derive from the Department's expected use of proceeds. No assurance can be given that the actual use of proceeds will be such as to produce such percentages, or that the Code will not be amended so as to no longer require such redemptions. The Department also may redeem the Offered Bonds in amounts greater than such percentages from available Revenues. Revenues not required to be applied to the redemption of Bonds may be otherwise applied as permitted by the Indenture. See Appendix I – "Summary of Certain Provisions of the Indenture – Revenue Account" hereto.

Special Redemption of the PAC Bonds

An amount equal to 100% of Prepayments of the 2024 Series C Mortgage Loans and Guaranteed Mortgage Securities and Series E Transferred Loans (the "**2024 Series CE Prepayments**") (as calculated by the Department) will be applied first to the redemption of the PAC Bonds in an amount up to the Cumulative Amount for the related period set forth in the following table, prior to the redemption of other Bonds. Such Cumulative Amounts are derived from certain assumptions related to the 2024 Series C Mortgage Loans and Guaranteed Mortgage Securities and Series E Transferred Loans, including the assumptions that the 2024 Series C Mortgage Loans and Guaranteed Mortgage Securities and Series E Transferred Loans are purchased or allocated to the Offered Bonds as anticipated, 2024 Series CE Prepayments are received at a rate equal to 100% of the Securities Industry and Financial Markets Association ("**SIFMA**") Standard Prepayment Model, and that 100% of such amounts will be used to redeem the PAC Bonds. Other Revenues may be applied to the redemption of the PAC Bonds, but only to the extent that such redemptions do not exceed the Cumulative Amount for the related period set forth in the following table (provided that such Revenues may be applied to the redemption of the PAC Bonds in excess of such Cumulative Amount if such redemption is necessary to preserve the tax-exempt status of the Offered Bonds). If the Series C Bonds or Series E Bonds are redeemed from Unexpended Proceeds, the Cumulative Amounts set forth in the table below will be reduced proportionately, as determined by the Department.

Semi-Annual Period Ending	Cumulative Amount	Semi-Annual Period Ending	Cumulative Amount
July 1, 2025	$ 1,105,000	July 1, 2030	$30,350,000
January 1, 2026	2,850,000	January 1, 2031	33,105,000
July 1, 2026	5,115,000	July 1, 2031	35,740,000
January 1, 2027	7,860,000	January 1, 2032	38,255,000
July 1, 2027	11,060,000	July 1, 2032	40,650,000
January 1, 2028	14,555,000	January 1, 2033	42,940,000
July 1, 2028	17,995,000	July 1, 2033	45,115,000
January 1, 2029	21,290,000	January 1, 2034	46,995,000
July 1, 2029	24,445,000	July 1, 2034	48,425,000
January 1, 2030	27,465,000		

If the amount available for such redemption is less than $100,000, the Department may delay redemption of the PAC Bonds until the amount of 2024 Series CE Prepayments available for such redemption totals $100,000 or more.

2024 Series CE Prepayments in excess of the Cumulative Amount for the related period set forth in the table above and up to the Cumulative Amount for the related period set forth in the following table will be applied to the redemption of Bonds other than the PAC Bonds; provided, that such 2024 Series CE Prepayments may be used to redeem the PAC Bonds if such redemption is necessary to preserve the tax-exempt status of the Offered Bonds. 2024 Series CE Prepayments in excess of the Cumulative Amount for the related period set forth in the following table may be applied by the Department to the redemption of Bonds, including the PAC Bonds. The Cumulative Amounts in the following table are derived from certain assumptions related to the 2024 Series C Mortgage Loans and Guaranteed Mortgage Securities and Series E Transferred Loans, including the assumptions that the 2024 Series C Mortgage Loans and Guaranteed Mortgage Securities and Series E Transferred Loans are purchased or allocated to the Offered Bonds as anticipated, and that 2024 Series CE Prepayments are received at a rate equal to 400% of the SIFMA Standard Prepayment Model. If the Series C Bonds or Series E Bonds are redeemed from Unexpended Proceeds, the Cumulative Amounts set forth in the table below will be reduced proportionately, as determined by the Department.

Semi-Annual Period Ending	Cumulative Amount	Semi-Annual Period Ending	Cumulative Amount
July 1, 2025	$ 4,670,000	July 1, 2030	$ 89,430,000
January 1, 2026	11,510,000	January 1, 2031	94,125,000
July 1, 2026	19,960,000	July 1, 2031	98,160,000
January 1, 2027	29,815,000	January 1, 2032	101,630,000
July 1, 2027	40,705,000	July 1, 2032	104,610,000
January 1, 2028	51,815,000	January 1, 2033	107,165,000
July 1, 2028	61,730,000	July 1, 2033	109,355,000
January 1, 2029	70,275,000	January 1, 2034	111,235,000
July 1, 2029	77,635,000	July 1, 2034	112,845,000
January 1, 2030	83,975,000		

The following table sets forth the projected last year outstanding and weighted average life (in years) for the PAC Bonds, based upon various rates of 2024 Series CE Prepayments (expressed as percentages of the SIFMA Standard Prepayment Model) and certain other assumptions. Such other assumptions include, but are not limited to, the following: (1) the 2024 Series C Mortgage Loans and Guaranteed Mortgage Securities and Series E Transferred Loans are purchased or allocated to the Offered Bonds at the times anticipated; (2) Series E Transferred Loans in the amount of $33,600,000 are reallocated to the Series E Bonds, with a weighted average term of 273 months and a weighted average interest rate of 4.037% per annum on the date of reallocation; (3) $95,000,000 in aggregate principal amount of Mortgage Loans and Underlying Loans are purchased with proceeds of the Series C Bonds and have a weighted average term of 360 months and a weighted average interest rate of 5.500% per annum on the date of purchase; (4) 2024 Series CE Prepayments in amounts not exceeding a cumulative percentage of 400% of the SIFMA Standard Prepayment Model are applied as described in the two immediately preceding paragraphs; (5) 2024 Series CE Prepayments in excess of 400% of the SIFMA Standard Prepayment Model are applied proportionally to the redemption of all the Offered Bonds then Outstanding, including the PAC Bonds (note that 2024 Series CE Prepayments in excess of 400% of the SIFMA Standard Prepayment Model are not required to be so applied); and (6) Offered Bonds are redeemed as described under "*Sinking Fund Redemption*" above.

	July 1, 2032 Optional Redemption Not Exercised		July 1, 2032 Optional Redemption Exercised	
Percent of SIFMA Model	Weighted Average Life	Last Date Outstanding	Weighted Average Life	Last Date Outstanding
0%	25.9	7/1/2054	7.6	7/1/2032
25	17.1	7/1/2054	6.9	7/1/2032
50	9.9	7/1/2049	6.2	7/1/2032
75	6.4	1/1/2038	5.5	7/1/2032
100	5.0	7/1/2034	4.8	7/1/2032
200	5.0	7/1/2034	4.8	7/1/2032
300	5.0	7/1/2034	4.8	7/1/2032
400	5.0	7/1/2034	4.8	7/1/2032
500	5.1	1/1/2036	4.8	7/1/2032
650	6.7	7/1/2054	4.8	7/1/2032
800	8.9	7/1/2054	4.9	7/1/2032

The weighted average life of a bond refers to the average of the length of time that will elapse from the date of issuance of such bond to the date each installment of principal is paid, weighted by the amount of such installment. The weighted average life of the PAC Bonds will be influenced by, among other factors, the rate at which repayments and prepayments of the 2024 Series C Mortgage Loans and Guaranteed Mortgage Securities and Series E Transferred Loans are received.

Actual events, including, among others, the rate of 2024 Series CE Prepayments received and the application of such 2024 Series CE Prepayments in excess of 400% of the SIFMA Standard Prepayment Model to the redemption of the PAC Bonds, will differ from the assumptions used to model the above table. Therefore, the actual last date Outstanding and weighted average life of the PAC Bonds will differ from those set forth above.

Optional Redemption

The Series C Bonds maturing on or after January 1, 2033 (other than the PAC Bonds) are subject to redemption on any date on or after July 1, 2032, at the option of the Department, in whole or in part, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption.

The PAC Bonds are subject to redemption on any date on or after July 1, 2032, at the option of the Department, in whole or in part, at the respective Redemption Prices set forth in Appendix G hereto, plus accrued interest to the date of redemption.

The Variable Rate Bonds in the Weekly Mode Period are subject to redemption on any date, at the option of the Department, in whole or in part, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

General Provisions

The Department may select Bonds for redemption from among any Series of Bonds and maturities as it deems appropriate, subject to the provisions of the applicable Housing Finance Bond Declaration. In the absence of direction from the Department, the Trustee shall select Bonds for redemption from among maturities of each Series of Bonds, and credit redemptions against Sinking Fund Requirements, on a proportionate basis. If less than all the Bonds of a single maturity are called for redemption, the particular Bonds to be redeemed are to be selected by the Trustee by lot. *Notwithstanding* the foregoing, unless otherwise required to preserve the tax-exempt status of the Offered Bonds, in any redemption of Variable Rate Bonds, the Trustee shall redeem Bank Bonds (as defined below) of a Series prior to any other Variable Rate Bonds of such Series to the extent provided in the related Initial Liquidity Facility. As long as the Offered Bonds are registered with Cede & Co., notice of redemption will be sent to DTC during the period then required by DTC, which is currently not less than two business days plus 20 calendar days prior to the redemption date, subject to the requirements of the Indenture. See Appendix E – "DTC and Book-Entry System" and Appendix I – "Summary of Certain Provisions of the Indenture – Notice of Redemption" for such requirements. Notice of the redemption will be sent by the Trustee to the registered owners of any Bonds which are to be redeemed, at their last addresses appearing upon the registry books. If less than all of the Term Bonds Outstanding of any one maturity shall be called for redemption, the principal amount of such Term Bonds to be redeemed shall be credited to the remaining Sinking Fund Requirements in the manner that the Department deems appropriate. All Bonds called for redemption will cease to accrue interest on the specified redemption date and will no longer be considered Outstanding under the Indenture, provided funds sufficient for the redemption of such Bonds are deposited with the Trustee.

Description of the Variable Rate Bonds

THIS OFFICIAL STATEMENT ONLY DESCRIBES VARIABLE RATE BONDS THAT ARE IN THE WEEKLY MODE PERIOD AND WHILE THE RELATED INITIAL LIQUIDITY FACILITY IS IN EFFECT.

Interest Provisions

Interest on the Variable Rate Bonds of a Series in a Weekly Mode Period will accrue from the date of delivery and will be payable in arrears, on the basis of a 365-day year or a 366-day year, as applicable, for the number of days actually elapsed. Interest shall be payable on the dates set forth on the cover page, for the period from the date of delivery or the preceding interest payment date, as applicable, to, but not including, such interest payment date.

Variable Rate Bonds of each Series will bear interest, at an initial rate determined at or prior to delivery, from the date of delivery to, but not including, November 27, 2024*. Thereafter, the Variable Rate Bonds in the Weekly Mode Period (other than Variable Rate Bonds purchased with funds provided by the Bank pursuant to the related Initial Liquidity Facility ("**Bank Bonds**")) will bear interest at a rate (the "**Weekly Rate**") that will take effect on the Thursday (the "**Effective Rate Date**") following the date of delivery or a Rate Determination Date (as defined below) and remain

* Preliminary, subject to change.

in effect until the day before the next Effective Rate Date. The Weekly Rate will be determined by the applicable Remarketing Agent by 4:00 p.m. New York City time on the first Business Day preceding the applicable Effective Rate Date (each a "**Rate Determination Date**"). In no event will the Variable Rate Bonds (other than Bank Bonds) bear interest at a rate in excess of 12% per annum (the "**Maximum Rate**"). The Trustee will provide monthly statements to DTC setting forth the Weekly Rates for the prior month within seven Business Days of the end of each calendar month.

The Weekly Rate will be the lowest rate, not exceeding the Maximum Rate, which, in the determination of the applicable Remarketing Agent, as of the Rate Determination Date and under then-prevailing market conditions, would result as nearly as practicable in the market value of the Variable Rate Bonds of the applicable Series on the Effective Rate Date being 100% of the principal amount thereof.

The determination by the applicable Remarketing Agent of any Weekly Rate will be conclusive and binding on the holders of the related Variable Rate Bonds. Failure by the Remarketing Agent or the Trustee to give any notice required under the Variable Rate Bond Declaration, or any defect in such notice, will not affect the interest rate borne by the Variable Rate Bonds or the rights of the Bondowners thereof.

If for any reason the position of the Remarketing Agent is vacant or the Remarketing Agent fails to act, the Weekly Rate on the Variable Rate Bonds of a Series (other than Bank Bonds) shall be the interest rate as determined or caused to be determined, at the expense of the Department, by the Trustee, weekly to be the lesser of (i) the 30-Day Average SOFR published by the New York Federal Reserve Bank or (ii) the Maximum Rate.

Mode Changes; Conversion

The Department may elect with respect to all or a portion of a Series of the Variable Rate Bonds, subject to the conditions set forth in the Variable Rate Bond Declaration, (1) to designate a date on which a Mode Change will take effect (a "**Mode Change Date**") or, (2) to designate a date on which a Conversion will take effect (a "**Conversion Date**"). The Trustee will give notice (1) to the Bondowners affected by a Mode Change not less than 15 days before the Mode Change Date and (2) to the Bondowners affected by a Conversion not less than 30 days before the Conversion Date. On each Mode Change Date or Conversion Date, the Variable Rate Bonds to which such Mode Change or Conversion applies will be subject to mandatory tender for purchase.

Optional Tender

Holders of the Variable Rate Bonds of a Series in the Weekly Mode Period may elect to tender their Variable Rate Bonds for purchase, by providing written notice to the applicable Remarketing Agent and the Tender Agent not later than 5:00 p.m. New York City time on any Business Day that is at least seven calendar days before the purchase date, which purchase date must be a Business Day and must be set forth in such tender notice. Such Variable Rate Bonds will be purchased on the purchase date specified in the notice at a price equal to 100% of the principal amount thereof plus accrued interest, if any (the "**Purchase Price**"), subject to the conditions set forth below under "Department Not Responsible to Bondowners for Bank's Failure to Purchase Variable Rate Bonds." Such notice of optional tender for purchase of Variable Rate Bonds by the Bondowners thereof will be irrevocable once such notice is given to the applicable Remarketing Agent and the Tender Agent.

Mandatory Tender

Variable Rate Bonds of each Series, or any portion thereof, are subject to mandatory tender for purchase at the Purchase Price (with no right to retain) (1) on a Mode Change Date for such Series of Variable Rate Bonds, (2) if either (i) the Department has determined to terminate the applicable Initial Liquidity Facility in accordance with its terms or (ii) the Trustee has not received notice from the Bank on or prior to 45 days prior to the scheduled expiration of the applicable Initial Liquidity Facility that such Initial Liquidity Facility will be extended or renewed (a "**Liquidity Expiration Event**") for such Series of Variable Rate Bonds, on a date not less than 5 days prior to the scheduled expiration or earlier termination of such Initial Liquidity Facility, (3) on any Conversion Date for such Series of Variable Rate Bonds, and (4) upon receipt of a notice of termination (as described in the applicable Initial Liquidity Facility) by the Trustee following the occurrence of certain events of default under such Initial Liquidity Facility, on a date not less than five days prior to the date on which the applicable Initial Liquidity Facility will terminate (each a "**Mandatory Tender Date**"). In connection with any mandatory tender of a Series of Variable Rate Bonds, the Trustee will deliver a notice of mandatory tender to owners of such Variable Rate Bonds, at least 15 days prior to the Mandatory Tender Date, stating the reason for the mandatory tender, the date of mandatory tender, and that all Bondowners of such Variable Rate Bonds subject to such mandatory tender will be deemed to have tendered their Variable Rate Bonds on such date.

This paragraph is applicable only if the book-entry system has been discontinued and replacement bonds have been issued or if DTC has exercised its option to surrender and exchange its Variable Rate Bond certificates. Any Variable Rate Bond not tendered and delivered to the Tender Agent on or prior to its Mandatory Tender Date ("**Untendered Bonds**") for which there has been irrevocably deposited in trust with the Trustee the Purchase Price will be deemed to have been tendered and purchased on such Mandatory Tender Date. Owners of the Untendered Bonds will not be entitled to any payment (including any interest to accrue on or after the Mandatory Tender Date) other than the principal amount of such Untendered Bonds, plus accrued interest to the day preceding the Mandatory Tender Date, and said Bondowners will no longer be entitled to the benefits of the Indenture and the Variable Rate Bond Declaration, except for the purpose of payment of the Purchase Price. Bond certificates will be issued in place of such Untendered Bonds pursuant to such Bond Declaration and, after the issuance of the replacement Variable Rate Bond certificates, such Bonds will be deemed purchased, canceled, and no longer Outstanding under the Indenture and the Variable Rate Bond Declaration.

Remarketing

The Department will enter into two separate remarketing agreements (each, a "**Remarketing Agreement**") with the Remarketing Agent pursuant to which the Remarketing Agent will undertake the duties of Remarketing Agent, including remarketing of tendered Variable Rate Bonds of a Series and determination of interest rates. Each Remarketing Agreement provides that the Remarketing Agent may at any time resign and be discharged of its duties, by giving written notice to the Department, the Trustee, the Tender Agent and the Bank at least 30 days prior to such resignation (provided that the effective date of such resignation may be, in the Department's sole discretion, extended for one additional 30-day period if the Department is unable to find a replacement remarketing agent), and that the Department may remove the Remarketing Agent upon 30 days' written notice prior to the effective date of such removal, except that such removal of the Remarketing Agent shall not take effect until the appointment of a successor Remarketing Agent.

During the Weekly Mode Period, when Variable Rate Bonds of a Series are tendered or required to be tendered and purchased, the applicable Remarketing Agent will use its best efforts as described herein to sell such Variable Rate Bonds at a Weekly Rate that results as nearly as practicable in the price being 100% of the principal amount thereof. If the applicable Remarketing Agent is unable to remarket the Variable Rate Bonds so tendered while the applicable Initial Liquidity Facility is in effect, the Bank will purchase such Variable Rate Bonds in accordance with the terms of the applicable Initial Liquidity Facility. The Remarketing Agent will not be required to remarket Variable Rate Bonds under certain conditions, including after the occurrence and continuation of an Event of Default under the Indenture.

Department Not Responsible to Bondowners for Bank's Failure to Purchase Variable Rate Bonds

Under the terms and provisions of each Remarketing Agreement and each Initial Liquidity Facility, the Purchase Price of related Variable Rate Bonds will be payable from moneys furnished in connection with the remarketing of such Variable Rate Bonds or, for Variable Rate Bonds that are not remarketed, from amounts drawn under the applicable Initial Liquidity Facility. The Department is *not* responsible for any failure by the Bank to purchase Variable Rate Bonds tendered at the option of the Bondowner or subject to mandatory tender for purchase pursuant to the Variable Rate Bond Declaration. Failure to purchase a Variable Rate Bond tendered at the option of the Bondowner or subject to mandatory tender for purchase as described above and in accordance with such Bond Declaration does *not* constitute an Event of Default under the Indenture.

Upon the occurrence of certain events set forth in each Initial Liquidity Facility, the Bank's obligation to purchase Variable Rate Bonds under such Initial Liquidity Facility will immediately terminate without notice or other action on the part of the Bank. See Appendix C hereto. The Department is not responsible to Bondowners for any failure by the Bank to purchase Variable Rate Bonds tendered at the option of the Bondowner or subject to mandatory tender for purchase pursuant to the Variable Rate Bond Declaration, upon the occurrence of an event of default under the applicable Initial Liquidity Facility.

If the Bank fails to purchase any Variable Rate Bonds of a Series tendered or deemed tendered for purchase by the Bondowners thereof and not remarketed, such Variable Rate Bonds will automatically bear interest in a Weekly Mode Period with the interest rate reset on a weekly basis to be the lesser of (1) the 30-Day Average SOFR published by the New York Federal Reserve Bank or (2) the Maximum Rate. Such Bondowners will not have the right to tender their Variable Rate Bonds during such period and may be required to hold their Variable Rate Bonds to their maturity or prior redemption.

Liquidity Facility

The Department is required to provide a Liquidity Facility for Outstanding Variable Rate Bonds in the Weekly Mode Period, except as otherwise provided below, in an amount not less than the principal of and interest that may accrue, if any, on such Variable Rate Bonds. Each Initial Liquidity Facility for the Variable Rate Bonds in the Weekly Mode Period is a standby letter of credit, issued pursuant to a standby letter of credit and reimbursement agreement, by and between the State, acting by and through the Department, and the Bank. Information with respect to each Initial Liquidity Facility and the Bank is set forth below under "THE INITIAL LIQUIDITY FACILITIES" and attached hereto as Appendix C and Appendix D hereto, respectively.

Alternate Liquidity Facility

The Department may elect to replace any Liquidity Facility (including but not limited to each Initial Liquidity Facility) with another Liquidity Facility meeting the requirements of the Variable Rate Bond Declaration (an "**Alternate Liquidity Facility**"). If the Department makes such election, the Variable Rate Bonds to be covered by the Alternate Liquidity Facility will be subject to mandatory tender before the expiration of the existing Initial Liquidity Facility. **This Official Statement is not intended to apply to the Variable Rate Bonds when an Alternate Liquidity Facility is in place.**

Self-Liquidity and Other Forms of Liquidity

The Department may also elect to provide liquidity support for the Variable Rate Bonds of a Series from its own funds ("**Self-Liquidity**") or by delivering a Liquidity Facility which does not meet the requirements of an Alternate Liquidity Facility ("**Non-Conforming Liquidity Facility**"), subject to the conditions set forth in the Variable Rate Bond Declaration. If the Department makes such election, such Variable Rate Bonds will be subject to mandatory tender before the expiration of the existing Initial Liquidity Facility. **This Official Statement is not intended to apply to the Variable Rate Bonds of a Series when Self-Liquidity or a Non-Conforming Liquidity Facility is in place.**

THE INITIAL LIQUIDITY FACILITIES

Each Initial Liquidity Facility requires the Bank to provide funds for the purchase of the Variable Rate Bonds of the related Series that have been tendered and not remarketed subject to certain terms and conditions set forth in the related Initial Liquidity Facility. This obligation under each Initial Liquidity Facility will expire on November 19, 2029,* unless earlier terminated or extended as provided therein.

A summary of certain provisions of each Initial Liquidity Facility is attached hereto as Appendix C. Certain information relating to the Bank is set forth in Appendix D hereto.

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* Preliminary, subject to change.

INFORMATION CONCERNING SALES OF THE VARIABLE RATE BONDS BY THE REMARKETING AGENT

The information contained under this heading "Information Concerning Sales of the Variable Rate Bonds by the Remarketing Agent" has been provided by the Remarketing Agent for use in this Official Statement but has not been required by the Department to be included herein. Except to the extent such information describes express provisions of the Indenture and the Variable Rate Bond Declaration, the Department does not accept any responsibility for its accuracy or completeness.

Remarketing Agent is Paid by the Department. The Remarketing Agent's responsibilities include determining the interest rate from time to time with respect to the Variable Rate Bonds of a Series and remarketing such bonds that are optionally or mandatorily tendered by the owners thereof, all as further described in this Official Statement. The Remarketing Agent is appointed and will be paid by the Department for its services. As a result, the interests of the Remarketing Agent may differ from those of existing holders and potential purchasers of the Variable Rate Bonds.

Remarketing Agent May Purchase Variable Rate Bonds for its Own Account. Each Remarketing Agent is permitted, but not obligated, to purchase tendered related Variable Rate Bonds for its own account. Each Remarketing Agent, in its sole discretion, may acquire tendered related Variable Rate Bonds for its own inventory in order to achieve a successful remarketing of such Variable Rate Bonds (i.e., because there otherwise are not enough buyers to purchase such Variable Rate Bonds) or for other reasons. However, neither Remarketing Agent is obligated to purchase the Variable Rate Bonds and may cease doing so at any time without notice. Each Remarketing Agent may also make a market in the related Variable Rate Bonds by routinely purchasing and selling such Variable Rate Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, neither Remarketing Agent is required to make a market in the related Variable Rate Bonds. Each Remarketing Agent may also sell any related Variable Rate Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to such Variable Rate Bonds. The purchase of related Variable Rate Bonds by each Remarketing Agent may create the appearance that there is greater third party demand for such Bonds in the market than is actually the case. The practices described above also may reduce the supply of Variable Rate Bonds of a Series that may be tendered in a remarketing.

Variable Rate Bonds May Be Offered at Different Prices on Any Date. Each Remarketing Agent is required to determine on each related Rate Determination Date the rate of interest that, in its judgment, is the lowest rate that would permit the sale of the related Variable Rate Bonds at par plus accrued interest, if any, on the following Effective Rate Date. The interest rate will reflect, among other factors, the level of market demand for such Variable Rate Bonds (including whether the Remarketing Agent is willing to purchase such Bonds for its own account). There may or may not be related Variable Rate Bonds tendered and remarketed on a Rate Determination Date or an Effective Rate Date; the related Remarketing Agent may or may not be able to remarket any of such Variable Rate Bonds tendered for purchase on such date at par; and such Remarketing Agent may sell such Bonds at varying prices to different investors on such date or any other date. Neither Remarketing Agent is obligated to advise purchasers in a remarketing if they do not have third party buyers for all of the related Variable Rate Bonds at the remarketing price. In the event a Remarketing Agent owns any of the related Variable Rate Bonds for its own account, such Remarketing Agent may, in its sole discretion in a secondary market transaction outside the tender process, offer related Variable Rate Bonds on any date, including the Rate Determination Date, at a discount to par to some investors.

Ability to Sell Variable Rate Bonds Other Than Through Tender Process May Be Limited. While a Remarketing Agent may buy and sell related Variable Rate Bonds, it is not obligated to do so and may cease doing so at any time without notice. Thus, investors who purchase any Variable Rate Bonds of a Series, whether in a remarketing or otherwise, should not assume that they will be able to sell such Variable Rate Bonds other than by tendering such Bonds in accordance with the tender process. Neither Initial Liquidity Facility is available to purchase Variable Rate Bonds of the related Series in accordance with a sale of such Variable Rate Bonds by the Bondowner to the Remarketing Agent. Each Initial Liquidity Facility will only be drawn when the applicable Variable Rate Bonds have been properly tendered in accordance with the terms of the Variable Rate Bond Declaration.

Remarketing Agent May Be Removed, Resign or Cease Remarketing the Bonds. Each Remarketing Agent may resign by providing at least 30 days' written notice to the applicable parties prior to such resignation (*provided*, that the effective date of such resignation may be, in the Department's sole discretion, extended for one additional 30-day period if the Department is unable to find a replacement remarketing agent) and may be removed by the Department upon 30 days' written notice prior to the effective date of such removal; *provided*, *however*, no such removal shall take effect until a successor is appointed and has accepted such appointment. Each Remarketing Agent may suspend its remarketing efforts immediately upon the occurrence of certain events, as set forth in the related Remarketing Agreement.

THE PROGRAM

General

Under the Program, initiated in 1988, the Department purchases Mortgage Loans and Guaranteed Mortgage Securities and provides closing costs or down payment assistance with funds on deposit in the Acquisition Account of the Indenture, in accordance with current provisions of the Act, to provide financing for existing, newly-constructed, or substantially rehabilitated single-family residences in the State (the "**Single-Family Residences**"). The Indenture permits the financing of Mortgage Loans through direct lending by the Department, although the Act makes direct lending (except for loans made by the Department solely to provide assistance with down payments or closing costs) subject to a legislative finding that private lending institutions are unwilling or unable to participate in the Program.

The Program is a continuation of the mortgage purchase program initiated by the Housing Division in 1977 to provide below-market interest rate loans to lower income home buyers under which the State issued bonds under a separate indenture to provide funds to purchase program loans from approved lenders in accordance with the provisions of the Act. The Housing Division established rules relating to such program which state general requirements and policies with respect to qualifications of approved lenders, approved servicers, borrowers, program loans and the dwellings which are mortgaged to secure program loans. The Department maintains a procedural guide which incorporates the rules and sets forth more particular requirements for compliance with federal tax law and procedures for approved lenders and approved servicers (the "**Procedural Guide**").

With respect to newly-originated Mortgage Loans and Underlying Loans that are Qualifying Loans, the Department accepts on-line reservations on a first-come, first-served basis from Mortgage Lenders who have taken applications for such mortgage loans. Mortgage Lenders are permitted to charge the borrowers normal closing costs plus a fee not exceeding 1.75% of the original principal balance of the mortgage loan, plus up to $1,000 in processing fees. At the time of purchase of each such mortgage loan by the Department, Mortgage Lenders are required to pay the Department a fee equal to 0.50% of the original principal balance of the mortgage loan. In general, all such mortgage loans which are the subject of a reservation from the Department are required to be delivered to the Department for purchase within 90 days from the date the reservation is made. If mortgage loans are not delivered within such period, the Department may extend the delivery period or reallocate available proceeds, to the extent that such extension or reallocation is consistent with the most recent Cash Flow Statement or redeem Bonds. The Department may also agree to purchase mortgage loans in amounts equal to available Revenues, including prepayments of mortgage loans, which are not required for the payment of principal of and interest on the Bonds in the then current fiscal year as determined by the Department. The Department expects to purchase Mortgage Loans and Underlying Loans from Mortgage Lenders at a price equal to the outstanding principal balance of each mortgage loan plus accrued interest to the date of purchase.

The Department offers assistance to borrowers in conjunction with Mortgage Loans and Underlying Loans financed through the Program. Such assistance may be applied to costs related to the closing of the mortgage loan, but it may not be applied as a down payment to the purchase of the Single-Family Residence. The amount of such assistance, if provided, is currently equal to 3% of the original principal amount of the related mortgage loan and is not included in the principal balance of the mortgage loan. Borrowers receiving assistance may pay a higher rate of interest on their mortgage loans than would be paid by borrowers not receiving assistance.

Procedures for Origination and Purchase

Mortgage Lenders must be authorized to engage in the business of making loans of the general character of Mortgage Loans and Underlying Loans and must be qualified to sell mortgage loans to Fannie Mae or the Freddie Mac or be approved by the Department. The Department purchases mortgage loans from Mortgage Lenders pursuant to Program Loan Purchase Agreements between individual Mortgage Lenders and the Department. The Mortgage Lenders will accept applications, screen potential mortgagors, obtain the applicable loan insurance, close mortgage loans, and sell eligible mortgage loans to the Department.

Mortgage Lenders make certain representations and warranties regarding each Mortgage Loan or Underlying Loan purchased by the Department. In the event any representation or warranty proves to have been untrue as of the time when made, or the Mortgage Lender defaults in the observance of its obligations under the Program Loan Purchase Agreement, the Department may rescind its purchase of the affected mortgage loan and demand return of the outstanding principal balance of the mortgage loan plus accrued interest thereon. If after delivery of a mortgage loan the Department discovers any substantial error or defect which could invalidate or jeopardize the lien securing the mortgage loan, the Mortgage Lender must cure the same within 90 days of notice thereof or be subject to rescission as described above.

Mortgage Loan Eligibility

Generally, Mortgage Loans and Underlying Loans must be made to residents of the State whose income at the time of origination does not exceed the lower of the median family income applicable under the Code in the area where housing is to be provided or such income limits as may be established from time to time by the Department. Each borrower must possess legal capacity to enter into the mortgage loan, have a satisfactory credit standing, intend to purchase the home as a permanent, primary residence and agree not to rent (except under special circumstances) the home during the term of the mortgage loan. Properties that are eligible for a mortgage loan must be located in the State, be structurally sound and functionally adequate and meet all applicable zoning requirements, building codes and similar requirements.

Requirements of Section 143 of the Code Relating to Certain Mortgage Loans and Underlying Loans

The requirements under this heading apply only to Mortgage Loans and Underlying Loans that are Qualifying Loans and to Bonds that are Qualified Mortgage Bonds.

General

Depending on the date of origination of a mortgage loan and the application of various effective date provisions and transition rules contained in the Code or in various federal tax acts or other interpretations of the applicability of certain Code provisions, all, a portion or none of the following requirements contained in Section 143 of the Code will be applicable to such mortgage loan. Such requirements are applicable to mortgage loans financed with proceeds of "qualified mortgage bonds" under the Code ("**Qualified Mortgage Bonds**"), such as the Offered Bonds.

Section 143 of the Code provides that interest on obligations of a governmental unit issued to finance single-family residences, or to refund bonds which were used to finance single-family residences is excludable from gross income for federal income tax purposes only if certain requirements are met with respect to the terms, amount and purpose of the obligations, the use and investment of funds generated by the issuance of the obligations, the nature of the residence and the mortgage, the origination of mortgages, the repayment of the tax-exempt borrowing, the eligibility of the borrower executing the mortgage and periodic and annual information reports of the Department.

The State has covenanted in the Indenture to do and perform all acts and things necessary or desirable to comply with the Code and to adopt and maintain appropriate procedures for such purpose. In its Rules, Procedural Guide and Program Loan Purchase Agreement, the Department has established procedures and documentation requirements to enable the Department to comply with the requirements of Sections 143 and 148 of the Code.

Mortgage Eligibility Requirements

Section 143 of the Code provides that the Department must reasonably expect at the time a mortgage loan is executed that the borrower will make the residence financed by the mortgage loan such borrower's principal residence within a reasonable time after the financing is provided. Under the procedures established by the Department, the borrower will be required to certify at the closing of the mortgage loan that the borrower intends to make the financed residence their principal residence within 30 days. Section 143 of the Code provides that the acquisition cost of the residence being financed may not exceed certain limitations established for the State. The Department has established purchase price requirements which are within the "safe harbor" limitations for all areas of the State, as published by the United States Treasury Department (the "**U.S. Treasury**") under Section 143 of the Code or pursuant to a study approved by Bond Counsel. The Department requires a certification from the borrower and the seller detailing all amounts paid as the acquisition cost of the residence. At least 95% of the net proceeds of an issue must be used to finance residences of borrowers who have not had a present ownership interest in a principal residence during the three-year period prior to the date on which the mortgage is executed. Proceeds of Qualified Mortgage Bonds used to make mortgage loans in "targeted areas" and for qualified rehabilitation are treated as meeting this requirement. The Department requires the borrower to provide federal income tax returns for the preceding three years for review for evidence of prior ownership interests, except for certain permitted exceptions, and to certify that the borrower has not had a present ownership interest in the borrower's principal residence within the preceding three years.

Under Section 143 of the Code, an existing mortgage loan may not be acquired or replaced with proceeds of a mortgage loan, except for certain mortgage loans for qualified rehabilitation (as more particularly described in the Code). In addition, the replacement of construction period loans and bridge loans or similar temporary initial financings (generally loans with a term of 24 months or less) is not treated as the acquisition or replacement of an existing mortgage loan. With certain limited exceptions, the Department requires a borrower to certify at the time of application for a mortgage loan that any residential property owned will be legally transferred before closing the mortgage loan. In addition, the Mortgage Lender will be required to review the borrower's federal income tax returns for the preceding three years, or a letter from the Internal Revenue Service stating that the borrower has filed a federal income tax return on Form 1040 for such years, and a credit report prior to closing to determine whether the borrower has any outstanding loans that could be acquired or replaced with the proceeds of the mortgage loan. The Mortgage Lender also must review evidence documenting the sale of other residential property prior to closing the mortgage loan.

Section 143 of the Code requires that all mortgage loans must be made to borrowers whose family income is 115% or less of the applicable median family income (100% for families of fewer than three persons), except that one-third of the amount of mortgage loans for targeted area residences may be made to borrowers who do not satisfy this requirement if the remainder of mortgage loans in "targeted areas" are made to borrowers whose family income is 140% or less of the applicable median family income (120% for families of fewer than three persons).

Mortgage loans can be assumed as long as the borrower has no prior home ownership interest in the last three years unless property is in a targeted area, and purchase price and income requirements are met by the assuming party at the time of assumption. The Department requires that each mortgage loan have a provision allowing the Department to accelerate such mortgage loan if the mortgage is assumed and any such requirements are not met.

An issue of Qualified Mortgage Bonds is treated as meeting the mortgage eligibility requirements if (1) the issuer in good faith has attempted to meet all of the mortgage eligibility requirements before the mortgages were executed, (2) 95% or more of the net proceeds of the issue used to make mortgage loans was devoted to financing residences that met all such mortgage eligibility requirements at the time the loans were executed or assumed, and (3) any failure to comply with the mortgage eligibility requirements is corrected within a reasonable period after such failure is first discovered. In determining whether 95% of the net proceeds have been used, the Department may rely on an affidavit of the borrower and of the seller and on examination of copies of the borrower's federal income tax returns for the three years preceding the date the mortgage is executed, unless the Department or the Mortgage Lender knows or has reason to believe that such information is false. Should the relevant information in such affidavits and returns ultimately prove to be untrue, the correction requirements under (3) above must be met. The Department expects to satisfy such correction requirements by (a) rescinding the Department's purchase of any mortgage loan that is defective due to the fault of the Mortgage Lender, or (b) declaring a default and recovering the proceeds of foreclosure or proceeds of mortgage insurance or a guaranty with respect to a mortgage loan that is defective for a reason other than the fault of the Mortgage Lender.

Loan Origination

Section 143 of the Code requires that, except for amounts of less than $250,000, all proceeds of Qualified Mortgage Bonds of a Series issued after December 31, 1988 that are required to be used to finance owner-occupied residences be so used within 42 months of the date of issuance of such Series of Qualified Mortgage Bonds or, with respect to Qualified Mortgage Bonds issued to refund prior bonds, within 42 months of the date of issuance of such prior issue of bonds in the case of refunding of unexpended proceeds. Proceeds of Qualified Mortgage Bonds that are not used to finance owner-occupied residences within such period are required to be used to redeem bonds of the issue within the applicable 42-month period. No portion of the proceeds of such Qualified Mortgage Bonds may be used to make or finance a mortgage loan after the close of such period.

Repayment of Issue

Section 143 of the Code requires that, except for amounts of less than $250,000, repayments of principal of a mortgage loan received after ten years from the date of issuance of the Series of Qualified Mortgage Bonds issued after December 31, 1988 financing such mortgage loan (or, in the case of Qualified Mortgage Bonds financing such mortgage loans which are treated as refunding bonds for purposes of this provision of the Code, the date of issuance of the original issue of bonds) be used to redeem Qualified Mortgage Bonds of such issue no later than the close of the first semiannual period beginning after the date the Prepayment or complete repayment of the mortgage loan is received (the "**10-Year Rule**").

Recapture Tax

Section 143 of the Code imposes, subject to certain exceptions, a recapture tax on borrowers who (1) receive mortgage loans that were originated after December 31, 1990 and were purchased by the Department with proceeds of Qualified Mortgage Bonds and (2) dispose of the residence financed with such mortgage loan within nine years. In general, Section 143 provides that, subject to a limit of 50% of the amount of gain realized on disposition, an amount equal to 1.25% of the mortgage amount per year is to be recaptured if the residence is disposed of within five years. This maximum recapture amount is phased out on an annual basis during years six through nine, with no recapture being imposed on dispositions occurring after nine years. An exception would exclude from recapture part or all of the subsidy in the case of borrowers whose income at the time of the disposition is less than a prescribed amount. The Department is unable to predict whether, or to what extent, this recapture tax exposure will affect the Department's ability to purchase mortgage loans or its effect on the prepayment of mortgage loans.

Requirements Related to Investments

Section 143 of the Code requires that the aggregate yield on mortgage loans financed with moneys relating to an issue of Qualified Mortgage Bonds not exceed the aggregate yield on such issue by more than 1-1/8%.

Section 148 of the Code also requires the Department to pay to the U.S. Treasury certain investment earnings on non-mortgage investments to the extent such investment earnings exceed the amount that would have been earned on such investments had such investments been invested at a yield equal to the yield on the issue of Bonds. The Department has established accounting procedures to determine the amount of such excess investment earnings and has retained a nationally recognized consultant to assist the Department with the required arbitrage rebate calculations.

Other Requirements

Section 146 of the Code restricts the amount of private activity bonds, including obligations issued to finance single family residences, that may be issued in the State during each calendar year. Several exceptions to this restriction exist, including one covering certain refunding issues. The Offered Bonds will meet the requirements of the Code with respect to annual volume limitation.

Section 143 of the Code requires that 20% of the net proceeds of an issue of Qualified Mortgage Bonds be made available for owner financing of "targeted area" residences for at least one year after the date on which owner financing is first made available, and that the Department attempt with reasonable diligence to place such proceeds in qualified mortgage loans. "Targeted areas" are (1) those census tracts in the State in which 70% or more of the families have an income that is 80% or less of the statewide median family income or (2) areas of chronic economic distress designated by the State and approved by the Secretaries of Housing and Urban Development and the U.S. Treasury under the criteria specified in Section 143 of the Code. The State's designation of certain areas in the State as "targeted areas" has been approved by the Secretaries of Housing and Urban Development and the U.S. Treasury. A portion of the proceeds of the Series C Bonds, including any premium, deposited in the 2024 Series C Acquisition Subaccount will be made available for one year following the delivery of such Bonds to provide funds for owner financing of "targeted area" residences, if required.

Monitoring for Compliance

Mortgage Lenders are responsible for reviewing each mortgage loan application with the accompanying documentation, including the borrower affidavits and the seller affidavit, for compliance with the requirements of Section 143 of the Code. Normal and appropriate measures are required to be undertaken by the Mortgage Lenders to verify the information given either independently or concurrently with credit reviews, when applicable. All documentation is required to be cross-checked by the Mortgage Lenders to assure that the information presented is complete and consistent. The Department completes a post-closing compliance verification to confirm that each mortgage loan satisfies the requirements of the Code.

Servicing

Mortgage Loans

Each Mortgage Loan will be serviced by a servicer approved by the Department (each an "**Approved Servicer**"). An Approved Servicer must be an entity legally authorized to engage in the business of servicing mortgage loans of the general character of the Mortgage Loans and must meet the qualifications established in the Procedural Guide. The Approved Servicer must be an approved seller-servicer of mortgage loans to and for Fannie Mae or the Federal Home Loan Mortgage Corporation or be approved by the Department and, if the Approved Servicer services FHA-insured Mortgage Loans, VA-guaranteed Mortgage Loans or RHS-guaranteed Mortgage Loans, must be an FHA-approved mortgagee, VA-approved mortgagee or RHS-approved mortgagee, as applicable. An Approved Servicer may be a Mortgage Lender. There are currently six Approved Servicers servicing Mortgage Loans under the Program. A list of the Approved Servicers and information concerning the aggregate principal amount of Mortgage Loans serviced by each such Approved Servicer is set forth below under the heading "Certain Information Relating to Outstanding Mortgage Loans."

Each Approved Servicer enters into a Program Loan Servicing Agreement which establishes basic agreements between the Department and the Approved Servicer and incorporates by reference the detailed guidelines for servicing contained in the Procedural Guide, which may be revised from time to time at the discretion of the Department. The Program Loan Servicing Agreement may be terminated at any time without cause by the Department with respect to any Mortgage Loan; however, under the terms of some of these Agreements, termination without cause prior to five years from the date of commencement of servicing entitles the Approved Servicer to a fee of up to 1% of the unpaid principal amount of the Mortgage Loan. In lieu of entering into, or termination of, any Program Loan Servicing Agreement, the Department retains the right to select another Approved Servicer or service Mortgage Loans with its own staff. All Mortgage Loans are currently being serviced by Approved Servicers.

The Approved Servicer is responsible for loan accounting, remitting to the Department the principal and interest payments on the Mortgage Loans and any other sums paid by borrowers which the Department requires to be remitted and for accounting for and management of escrows of sums paid by borrowers for payment of taxes, assessments, mortgage and hazard insurance premiums and other expenses. For servicing each Mortgage Loan, the Approved Servicer is entitled to a fee calculated according to the formula appearing in the Procedural Guide. Such fee is currently calculated to approximately .375% per annum of the outstanding principal amount of Mortgage Loans serviced relating to Bonds. The servicing fee is to be deducted from amounts remitted on a monthly basis to the Department.

The Approved Servicer must comply with all requirements of FHA, VA, RHS or private mortgage insurance companies, as applicable, with respect to Mortgage Loans and must maintain, in effect at all times and at the Approved Servicer's expense, a fidelity bond (or direct surety bond) and an errors and omissions policy issued by a company currently classified in Best's Insurance Reports as Class 6 or higher and written on a policy form covering all officers, employees and persons duly authorized by the Approved Servicer to act on behalf of the Approved Servicer for the Department.

The Approved Servicer is responsible for ensuring that hazard insurance meeting the requirements set forth in the Procedural Guide is at all times maintained with respect to a Mortgage Loan. The Approved Servicer must indemnify the Department for any loss suffered by the Department as a result of a failure to maintain such insurance. The Department is to be named as payee on insurance loss drafts.

Underlying Loans

Underlying Loans will be serviced by the Master Servicer, pursuant to the Master Servicing Agreement (as defined below). See "OTHER HOUSING FINANCE PROGRAMS OF THE DEPARTMENT – MBS Program" and Appendix A hereto.

Certain Information Relating to Outstanding Mortgage Loans

Information relating to the outstanding Mortgage Loans financed or acquired with the proceeds of Bonds as of July 1, 2024, is set forth below:

Interest Rate	Original Number	Original Principal Amount	Outstanding Number	Outstanding Principal Amount
0.000%	31	$ 1,854,683	14	$ 227,943
2.125	149	38,583,400	142	33,275,577
2.250	148	41,367,962	144	38,025,129
2.375	24	5,618,926	20	4,355,606
2.500	105	26,975,286	92	21,762,118
2.625	332	83,021,294	282	62,743,195
2.750	126	30,355,381	102	21,381,649
2.875	335	80,373,457	257	57,422,474
3.000	121	36,111,074	119	33,597,827
3.125	315	38,687,167	133	14,211,467
3.250	713	141,929,983	428	70,916,914
3.375	344	65,556,879	158	24,769,524
3.500	249	22,769,178	107	9,577,018
3.625	451	93,674,999	252	46,114,613
3.750	678	142,501,369	297	52,165,417
3.875	322	36,044,939	111	13,318,394
4.000	219	14,933,893	50	6,257,644
4.125	790	176,911,512	286	53,841,444
4.250	184	21,094,704	56	9,996,359
4.375	111	18,003,905	57	14,496,989
4.400	5	911,621	4	422,191
4.500	986	153,023,104	253	37,121,287
4.625	30	1,870,266	11	1,007,920
4.700	172	23,864,964	21	1,230,401
4.750	66	2,608,085	8	1,332,628
4.875	110	28,611,563	63	16,387,242
4.950	1,949	249,061,586	252	14,077,784
5.000	308	34,176,413	65	16,427,460
5.125	227	38,717,980	26	2,527,500
5.200	143	20,391,737	15	1,084,892

Interest Rate	Original Number	Original Principal Amount	Outstanding Number	Outstanding Principal Amount
5.250%	379	$ 57,589,222	37	$ 2,861,673
5.375	400	47,809,531	62	6,650,746
5.400	265	39,236,028	42	2,971,919
5.450	987	147,064,182	73	4,725,681
5.500	404	74,497,441	109	22,795,077
5.625	526	95,161,979	35	5,356,424
5.650	135	20,299,742	13	809,532
5.750	730	139,711,428	222	58,616,470
5.875	79	19,874,087	54	15,302,204
5.900	235	37,008,600	12	1,003,794
5.950	3,231	302,009,724	136	4,163,074
5.990	107	16,385,592	11	923,827
6.000	489	88,323,919	63	13,554,137
6.050	187	30,480,280	11	860,422
6.125	1,277	140,224,893	105	21,877,358
6.250	548	70,259,715	72	17,531,793
6.300	94	14,037,128	8	534,532
6.375	67	18,101,771	44	13,547,512
6.490	131	21,580,173	8	651,203
6.500	766	72,973,885	81	23,380,489
6.625	354	31,875,846	33	4,748,043
6.750	179	21,764,983	39	11,352,366
6.875	20	6,553,505	20	6,528,782
6.950	773	60,821,636	14	154,377
7.000	480	45,065,442	12	1,285,788
7.125	17	5,549,853	17	5,509,196
7.250	2,859	193,401,754	32	2,558,917
7.375	112	8,395,089	3	39,111
7.500	516	44,010,826	4	104,745
7.625	812	47,717,358	4	39,355
8.250	556	28,005,702	1	11,909
Total	27,458	$3,615,398,621	5,202	$930,527,060

The Approved Servicers servicing Mortgage Loans pursuant to individual Program Loan Servicing Agreements and the principal balance of the Mortgage Loans being serviced by each such institution as of July 1, 2024, are set forth below:

Approved Servicers	Outstanding Principal Amount	Percent of Total
Banner Bank	$345,564,049	37.14%
U.S. Bank	251,271,285	27.00
Umpqua Bank.	172,963,235	18.59
Homestreet Bank	149,893,373	16.11
Wells Fargo Home Mortgage	10,732,922	1.15
PHH Mortgage Corp.	102,195	0.01
Total	$930,527,060	100.00%

Information generally relating to certain characteristics of Mortgage Loans financed or acquired with the proceeds of Bonds as of July 1, 2024, is set forth below:

Average Income of Borrowers	$ 56,240
Average Household Size	2.58
Average Age of Borrowers	38.86
Average Original Principal Amount of Mortgage Loans	$210,466
Average Purchase Price of Properties	$243,896
Type of Properties	
Single Family	80.80%
Condominiums	8.23%
Other	10.97%

Information as of July 1, 2024, relating to the insurance of Mortgage Loans financed or acquired with the proceeds of Bonds is set forth below:

Insurer or Guarantor	**Outstanding Principal Amount**	**Percent of Total**
Uninsured	$384,097,650	41.28%
FHA	389,291,837	41.84
RHS	119,339,880	12.82
VA	36,257,819	3.89
Private Mortgage Insurance(1)	1,539,874	0.17
Total	$930,527,060	100.00%

(1) Rounded for sum of components to equal the total outstanding principal amount.

The Department makes no representation regarding the financial condition of any Private Mortgage Insurer or its ability to make full and timely payment of claims made by the Department on Mortgage Loans. If such claims are not paid in full on a timely basis, the Department may experience losses on Mortgage Loans in default or in foreclosure. The financial strength ratings of Private Mortgage Insurers, including the Private Mortgage Insurers currently providing Mortgage Pool Insurance to the Department, have been under review by Moody's (defined below) as a result of disruptions in the housing market. Many of these Private Mortgage Insurers have had ratings downgrades or other negative adjustments.

Certain Information Relating to Outstanding Guaranteed Mortgage Securities

The following table sets forth certain information regarding the Guaranteed Mortgage Securities purchased with the proceeds of Bonds as of July 1, 2024:

Type of Guaranteed Mortgage Security	**Pool Number**	**Pass-Through Interest Rate**	**Original Par Amount†**	**Par Amount Outstanding†**	**Maturity Date**
GNMA	CY6011	7.00%	$2,016,481	$2,005,902	November 20, 2053

† Amounts shown represent the par amount of Guaranteed Mortgage Securities, not the fair market value.

Certain Information Relating to Mortgage Loan Delinquencies and Foreclosures

The information under this heading applies only to Mortgage Loans and not to Underlying Loans.

Each Approved Servicer must take such appropriate action with respect to delinquencies as is required by FHA, VA or RHS, or such actions as it would take with respect to loans serviced for others or held for its own account. The Approved Servicer has discretion to grant appropriate relief in the form of liquidation plans, special forbearance relief and modifications. A liquidation agreement may be entered into which gives the borrower a definite period in which to bring the Mortgage Loan current by immediately commencing payment in excess of the regular monthly installments. A special forbearance agreement may be entered into which reduces or suspends the regular monthly installments for a specified period of time. A modification agreement may be formulated which effects modifications of the Mortgage Loan repayment provisions, including an extension of the original maturity date. Approval by the Department is required for any special forbearance agreement or modification agreement.

The Approved Servicer must promptly notify the Department upon becoming aware of any prior lien that has attached or will attach to the property securing a Mortgage Loan and upon becoming aware of any bankruptcy, probate proceeding or the like against the borrower or the borrower's estate. No sooner than the 90th day following the due date of the earliest unpaid installment on the Mortgage Loan, the Approved Servicer must recommend appropriate action to the Department. Should foreclosure be necessary and allowed under applicable law, the Approved Servicer is required to make a full report to the Department and undertake all necessary steps to accomplish such foreclosure pursuant to standards contained in the Procedural Guide.

Based on reports to the Department from Approved Servicers, the following tables set forth the foreclosures and delinquencies for Mortgage Loans financed or acquired by the Department under the Program:

Percent of Mortgage Loans with Installments Past Due

As of	Total†	30 Days	60 Days	90 Days or More	In Foreclosure
September 30, 2022	4.72%	1.29%	0.46%	2.97%	0.85%
December 31, 2022	4.72	1.31	0.59	2.82	0.88
March 31, 2023	4.69	1.16	0.65	2.88	0.92
June 30, 2023	4.15	0.79	0.56	2.80	1.07
September 30, 2023	4.12	1.29	0.60	2.23	0.91
December 31, 2023	4.19	1.36	0.63	2.20	1.00
March 31, 2024	3.34	1.03	0.51	1.80	0.87
June 30, 2024	3.65	1.40	0.52	1.73	0.69

† Includes delinquent loans and loans in foreclosure.

Percent of Mortgage Loans in the Process of Foreclosure

2024	2023	2022	2021	2020	2019
0.69%	1.00%	0.88%	0.13%	0.51%	0.81%

The statistics for delinquencies are based on reports prepared as of the last day of each month by the Department. The statistics for foreclosures are based on such reports prepared as of December 31st of each year, with the exception of the 2024 information, which is as of June 30, 2024.

Prior to or during the process of foreclosure, the Department attempts to work out a plan to enable the mortgagor to become current in payment on a mortgage loan within a reasonable period of time. As of July 1, 2024, title to 682 properties have been conveyed to, and payment in the full amount of the Mortgage Loans has been received by the Department from FHA. In addition to these 682 properties, the Department has completed foreclosure proceedings and sales of 555 properties that were not FHA insured. No properties are currently being marketed for sale by the Department that were not insured by FHA.

Under current State law, (1) certain mortgagees (including the Department) seeking to foreclose, whether non-judicial or judicial, a residential deed of trust must enter into mediation with the mortgagor for the purpose of negotiating a foreclosure avoidance measure, and (2) no foreclosure sale may occur less than 30 days for judicial foreclosures and 120 days for nonjudicial foreclosures after the date on which the mortgagee notifies the mortgagor of mortgagee's determination that (a) the mortgagor is not eligible for any foreclosure avoidance measure or (b) the mortgagor has failed to comply with the terms of any foreclosure avoidance measure that has been agreed to. Foreclosure avoidance measures include deferring or forbearing one or more payments due on the mortgage loan, modifying the payment or other terms of the mortgage loan, accepting a deed-in-lieu of foreclosure from the mortgagor, conducting a short sale of the mortgaged property, or providing other assistance to the mortgagor to avoid foreclosure. Laws governing foreclosure and related matters are subject to change by the Legislative Assembly.

Prepayments

Mortgage Loans made or purchased by the Department permit partial or complete prepayment without penalty. Such Mortgage Loans may also be terminated prior to their respective final maturities as a result of events such as default, sale, condemnation or casualty loss. A number of factors, including general economic conditions, homeowner mobility and mortgage market interest rates, will affect the rate of actual prepayments for a particular portfolio of mortgage loans. Therefore, it is difficult to predict prepayments for Mortgage Loans financed under the Indenture from available data about other pools of mortgage loans.

One source of information with respect to prepayments is published by FHA based on its nationwide experience relating to 30-year single-family mortgage loans insured under Section 203(b) of the National Housing Act of 1934 since 1970. Such mortgage loans were issued at various interest rates and were not made primarily to persons or families of limited income. The most recent national statistics published by FHA as of June 30, 1991 indicate that, while some mortgage loans remain outstanding until scheduled maturity, mortgage loans have had an average life of approximately 11.1 years. Many factors may cause the Department's experience relating to Mortgage Loans financed under the Indenture to be different from the statistics published by FHA, including the eligibility under the Indenture of Mortgage Loans which are not insured by FHA, the demographics of the State as compared to the nation as a whole, different conditions for the assumption of Mortgage Loans as compared to mortgage loans insured by FHA in general and lower interest rates for Mortgage Loans as compared to mortgage loans originated at the same time which bear conventional market interest rates.

Amounts Available to Purchase Mortgage Loans and Guaranteed Mortgage Securities

As of July 1, 2024, the following amounts relating to prior Series of Bonds were available in Acquisition Subaccounts to purchase Mortgage Loans and Guaranteed Mortgage Securities:

Series of Bonds	Date of Issuance	Mortgage Loan Interest Rate Range	Amount Available to Purchase Mortgage Loans & Guaranteed Mortgage Securities	Amount Committed for Purchasing Mortgage Loans & Guaranteed Mortgage Securities	Amount Available for Commitment
2023 CD	September 28, 2023	4.000 – 7.250%	$ 27,593,065	$ 27,593,065	$ 0
2024 AB	May 22, 2024	5.750 – 7.000%	77,060,866	18,040,613	59,020,253
			$ 104,653,931	$ 45,633,678	$ 59,020,253

Following the issuance of the Series C Bonds and certain replacements and refundings described above, the Department expects to have approximately $95,000,000* from the proceeds of the Series C Bonds available to finance newly-originated Mortgage Loans and Underlying Loans bearing interest at estimated rates ranging from 5.375%* to 6.125%* and to provide closing costs or down payment assistance. Such proceeds may be applied to the purchase of

* Preliminary, subject to change.

Mortgage Loans in conjunction with amounts currently available in Acquisition Subaccounts or the proceeds of bonds issued other than pursuant to the Indenture. The Department changes interest rates to reflect changing market conditions and changing program objectives. Each newly-originated Mortgage Loan and Underlying Loan is expected to have an original term of 30 years and equal monthly payments of principal and interest. All newly-originated Mortgage Loans and Underlying Loans to be financed with funds made available upon the issuance of the Series C Bonds are expected to be originated by June 1, 2025*. The Department has not redeemed any Bonds of any Series from the unexpended proceeds of the related Series of Bonds resulting from the non-origination of Mortgage Loans since 1996.

Outstanding Mortgage Revenue Bonds

The following table shows the principal amounts of Bonds which have been issued and were Outstanding as of July 1, 2024:

Series of Bonds	Dated	Amount Issued	Amount Outstanding	Final Maturity	Coupon Rates
2013 Series A.................	June 12, 2013	$ 21,885,000	$ 4,035,000	2043	3.500-4.050%
2013 Series D.................	November 20, 2013	33,225,000	2,905,000	2028	4.200
2013 Series F	November 20, 2013	8,335,000	4,445,000	2033	3.900
2014 Series A.................	May 29, 2014	57,710,000	14,610,000	2033	3.150-3.875
2014 Series C.................	December 18, 2014	30,900,000	8,425,000	2038	2.900-3.750
2015 Series A.................	September 1, 2015	79,195,000	1,580,000	2036	2.950-3.500
2015 Series C (1)(4)..........	September 1, 2015	33,600,000	33,600,000	2045	Variable
2016 Series A.................	May 31, 2016	56,275,000	2,500,000	2047	4.000
2016 Series B (2).............	May 31, 2016	13,140,000	13,140,000	2033	Variable
2016 Series C (2).............	May 31, 2016	15,000,000	15,000,000	2037	Variable
2017 Series A.................	May 25, 2017	81,510,000	8,445,000	2047	4.000
2017 Series C (2).............	May 25, 2017	44,000,000	40,230,000	2039	Variable
2017 Series D.................	October 12, 2017	87,390,000	33,200,000	2048	2.050-3.500
2017 Series E.................	October 12, 2017	22,775,000	2,500,000	2040	3.500
2017 Series F	December 28, 2017	11,440,000	6,450,000	2048	3.650-3.750
2017 Series G.................	December 28, 2017	43,730,000	12,820,000	2040	3.450-4.000
2017 Series H.................	December 28, 2017	16,105,000	10,950,000	2028	2.350-2.800
2018 Series A.................	June 5, 2018	62,590,000	21,175,000	2049	2.700-4.500
2018 Series B	June 5, 2018	30,000,000	16,080,000	2043	2.900
2018 Series C.................	September 25, 2018	87,420,000	35,130,000	2049	2.500-4.500
2018 Series D.................	December 19, 2018	82,885,000	30,625,000	2050	2.800-4.750
2018 Series E (1)(5)..........	December 19, 2018	41,000,000	41,000,000	2043	Variable
2019 Series A ………….	September 19, 2019	99,000,000	69,745,000	2050	1.450-4.000
2020 Series A ………….	June 11, 2020	47,905,000	27,030,000	2051	1.100-3.500
2020 Series B (1).............	June 11, 2020	24,500,000	24,500,000	2037	Variable
2020 Series C.................	December 15, 2020	60,000,000	50,140,000	2052	0.600-3.000
2021 Series A	August 31, 2021	99,000,000	91,645,000	2052	0.400-3.000
2022 Series A	April 27, 2022	77,900,000	73,835,000	2051	2.250-4.000
2022 Series B	April 27, 2022	7,000,000	4,000,000	2026	3.200-3.400
2022 Series C	October 27, 2022	24,810,000	23,485,000	2053	4.659-5.501
2022 Series D (3).............	October 27, 2022	21,000,000	21,000,000	2047	Variable

Series of Bonds	Dated	Amount Issued	Amount Outstanding	Final Maturity	Coupon Rates
2023 Series A................	May 11, 2023	$ 40,005,000	$ 38,805,000	2053	2.850-5.500%
2023 Series B................	May 11, 2023	11,210,000	11,210,000	2036	4.819-5.482
2023 Series C................	September 28, 2023	127,665,000	127,310,000	2053	5.509-6.250
2024 Series A................	May 22, 2024	38,690,000	38,690,000	2053	3.350-6.500
2024 Series B................	May 22, 2024	42,205,000	42,205,000	2054	5.314-6.105
Total..........................		$1,681,000,000	$1,002,445,000		

(1) Liquidity provided by Sumitomo Mitsui Banking Corporation, acting through its New York Branch, expiring on January 27, 2025 (with respect to 2015 Series C and 2018 Series E) and on January 27, 2027 (with respect to 2020 Series B), respectively. Sumitomo Mitsui Banking Corporation, acting through its New York Branch, has received a long-term rating of A1 and a short-term rating of P-1, and a Counterparty Risk Assessment of A1(cr) / P-1(cr), from Moody's Investors Service. Such ratings are as of the date of this Official Statement. The Department undertakes no responsibility for updating the aforementioned ratings subsequent to such date.

(2) Liquidity provided by State Street Bank and Trust Company expiring on January 26, 2025 (with respect to 2016 Series B and 2016 Series C) and on January 26, 2027 (with respect to 2017 Series C), respectively. State Street Bank and Trust Company has received a long-term rating of Aa1 and a short-term rating of P-1, and a Counterparty Risk Assessment of Aa1(cr) / P-1(cr), from Moody's Investors Service. Such ratings are as of the date of this Official Statement. The Department undertakes no responsibility for updating the aforementioned ratings subsequent to such date.

(3) Liquidity provided by U.S. Bank National Association expiring on October 27, 2027. U.S. Bank National Association has received a long-term rating of A1 and a short-term rating of P-1, and a Counterparty Risk Assessment of A1 (cr) / P-1(cr), from Moody's Investors Service. Such ratings are as of the date of this Official Statement. The Department undertakes no responsibility for updating the aforementioned ratings subsequent to such date.

(4) Expected to be redeemed with the proceeds of the Series E Bonds on January 1, 2025.*

(5) Expected to be redeemed with the proceeds of the Series D Bonds on December 13, 2024.*

Outstanding Qualified Hedges

The Department has entered into Qualified Hedges relating to certain prior Series of Bonds. See Appendix I – "Summary of Certain Provisions of the Indenture – Qualified Hedges" hereto. The following table sets forth information about the outstanding Qualified Hedges as of July 1, 2024. See Note 10 to the Financial Statements of the Department in Appendix B hereto.

* Preliminary, subject to change.

Series of Bonds	Notional Amount	Fixed Rate Payable	Variable Rate Receivable [(1)]	Hedge Provider	Expiration Date	Hedge Provider Rating [(2)]
2015 Series C[(7)]	$33,600,000	2.751%	70.0% of SOFR + .130136%	RBC [(3)]	July 1, 2045	Aa1
2016 Series B	13,140,000	1.710	66.5% of SOFR + .1561292	RBC [(3)]	January 1, 2033	Aa1
2016 Series C	15,000,000	2.000	66.5% of SOFR + .2261292	RBC [(3)]	July 1, 2037	Aa1
2017 Series C	42,545,000	2.407	70.0% of SOFR + .130136	BofA [(4)]	July 1, 2039	Aa1
2018 Series E[(8)]	41,000,000	1.120	100% of SIFMA [(5)]	BofA [(4)]	July 1, 2043	Aa1
2020 Series B	24,500,000	0.899	100% of SIFMA [(6)]	RBC [(3)]	July 1, 2037	Aa1
2022 Series D	21,000,000	4.417	100% of SOFR + .15	RBC [(3)]	July 1, 2047	Aa1

(1) The Department and related swap counterparties have adhered to the International Swaps and Derivatives Association's 2020 IBOR Fallbacks Protocol, pursuant to which each LIBOR-based variable rate receivable with respect to hedges related to 2015 Series C, 2016 Series B, 2016 Series C and 2017 Series C Bonds was replaced with a SOFR-based variable rate following June 30, 2023.
(2) Ratings by Moody's Investors Service. Such ratings are as of the date of this Official Statement. The Department undertakes no responsibility for updating the aforementioned ratings subsequent to such date.
(3) Royal Bank of Canada, which is an affiliate of RBC Capital Markets, LLC, one of the Underwriters of the Series C Bonds.
(4) Bank of America, N.A.
(5) On January 1, 2028, this hedge converts to receiving 70% of SOFR + 0.080136%.
(6) On July 1, 2026, this hedge converts to receiving 70% of SOFR + 0.080136%.
(7) Expected to be transferred to the Series E Bonds in connection with the redemption of the 2015 Series C Bonds.
(8) Expected to be transferred to the Series D Bonds in connection with the redemption of the 2018 Series E Bonds.

The Department may enter into Qualified Hedges in the future with respect to other prior Series of Bonds, or in connection with the issuance of additional Series of Bonds, which bear interest at variable rates. Pursuant to each Qualified Hedge, the Department will pay interest to the related Hedge Provider at a fixed rate and will receive interest from such Hedge Provider at a variable rate that is typically based on an index such as the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York ("**SOFR**") or SIFMA. The amount of interest due on a Series of Bonds during a time period will differ from the amount of interest paid by the related Qualified Hedge. The Owners of the Bonds do not have any rights under any Qualified Hedge or against any Hedge Provider.

OTHER HOUSING FINANCE PROGRAMS OF THE DEPARTMENT

The Department is the only statewide public body in Oregon serving as a central source of data and program information, training and education, planning and technical assistance, seed-money loans, mortgage financing and federal tax credits relating to housing within the State.

In order to increase the supply of funds available for mortgage loans in the State, the Department has implemented various programs which have been financed through the issuance of bonds and notes of the State.

Multifamily Housing Program

In 1996, the Department initiated a multifamily housing program to provide mortgage loans for construction and permanent financing for developments that primarily contain housing units within the State for persons or families of lower income. Mortgage loans financed for this purpose must be insured by FHA, secured by a credit facility or used to finance certain mortgage-backed securities. As of July 1, 2024, the State has issued $310,400,000 principal amount of bonds in 18 series under this program.

Elderly and Disabled Housing Program

A constitutional amendment approved by the voters in 1978 and further amended in 1982 authorized the financing of elderly housing and residential facilities for elderly households, disabled persons and their family members, through the issuance of general obligation bonds of the State. The Department is responsible for the administration of this program and, as of July 1, 2024, has issued 45 series of bonds in the original aggregate principal amount of $589,005,000 to provide permanent financing for rental housing developments under this program. As of July 1, 2024, 355 developments containing a total of 7,091 units in apartments, assisted living, congregate care and residential care facilities, group care and other specialized housing have received permanent financing.

Housing Development Program

In 2000, the Department initiated a multifamily housing program to provide financing for developments in which a portion of the housing units are for persons and families of lower income. Each bond issue finances a single multifamily development separately secured by revenues and assets specifically pledged thereto. As of July 1, 2024, the State has issued 317 series of bonds in the original aggregate principal amount of $2,978,332,207, pursuant to this program.

Other Programs

In addition to its bond and note programs, the Department also acts as the State's tax credit agency to distribute federal tax credits through two programs for homeownership and rental housing and to certify rental housing projects for a State tax credit program. *The Mortgage Credit Certificate Program* provides a federal tax credit for low and moderate income home buyers in connection with private financing to purchase, improve, or rehabilitate single-family residences, and the *Low-Income Housing Tax Credit Program* provides federal income tax credits to developers who construct, rehabilitate, or acquire qualified low-income rental housing. Under *the Oregon Affordable Housing Tax Credit Program* the Department has the authority to certify tax credits to compensate lending institutions for financing certain housing projects at up to 4% below the current market rate of interest for lower income tenants for a period of up to 20 years.

Flex Lending Program

Under the Act, the Department carries out a program (the "**Flex Lending Program**"), under which mortgage loans (the "**Flex Loans**") are financed that are Non-Qualifying Loans relating to single family owner-occupied housing in the State for borrowers who meet certain Department income limits and other requirements but are not eligible for a Qualifying Loan. Flex Loans are originated by Mortgage Lenders and pooled by the Master Servicer described below into mortgage-backed securities, which may be either (i) MBSs sold to purchasers in the TBA market or (ii) Guaranteed Mortgage Securities purchased with Bond proceeds by the Trustee under the Indenture. To date, the Department has not purchased Flex Loans in the form of whole mortgage loans either with Bond proceeds under the Indenture or otherwise, and does not expect to do so in the future.

The Department's Flex Lending Program provides a fixed-rate first mortgage loan in conjunction with a second mortgage in the form of either a silent forgivable second lien or an amortizing repayable second lien. The amount of the second lien is currently equal to 4% or 5% of the principal amount of the first mortgage loan, depending on borrower eligibility. Flex Loan borrowers are persons and families of lower income as determined by the Department, but who are not subject to the mortgage eligibility requirements relating to Qualified Mortgage Bonds.

MBS Program

General

On March 27, 2023, the Department implemented a program under which qualified FHA-insured, VA-guaranteed, USDA/RD-guaranteed and conventional closed mortgage loans originated by Mortgage Lenders underlie mortgage-backed pass-through certificates, issued and/or sold by Idaho Housing and Finance Association, Boise, Idaho ("**IHFA**" or the "**Master Servicer**") on behalf of the Department, which pass-through certificates are guaranteed as to timely payment of principal and interest by Ginnie Mae, Fannie Mae or Freddie Mac (the "**MBS Program**"). Such pass-through certificates may be either (i) mortgage-backed securities ("**MBSs**") sold to a third-party purchaser in the TBA mortgage-backed securities market pursuant to a purchase agreement, in which case the underlying mortgage loans will be Flex Loans, or (ii) Guaranteed Mortgage Securities purchased with proceeds of Bonds issued under the Indenture, in which case the Underlying Loans may be Flex Loans or Qualifying Loans.

While both MBSs and Guaranteed Mortgage Securities are financed pursuant to the MBS Program, the information under this heading "MBS Program" describes *only* Guaranteed Mortgage Securities (and the related Underlying Loans) that are purchased with Bond proceeds by the Trustee under the Indenture.

As of July 1, 2024, one Guaranteed Mortgage Security whose Underlying Loans are Flex Loans had been purchased with Bond proceeds (see "THE PROGRAM – Certain Information Relating to Outstanding Guaranteed Mortgage Securities"). **Proceeds of or allocable to the Series C Bonds are not expected to be used to finance Guaranteed Mortgage Securities whose Underlying Loans are Flex Loans. The Department expects to use such proceeds to finance only Mortgage Loans and Guaranteed Mortgage Securities whose Underlying Loans are Qualifying Loans.**

Mortgage Loan Origination and Purchase

Under the MBS Program, Underlying Loans are originated by Mortgage Lenders who have entered into a Mortgage Lending Program Origination Agreement & Mortgage Loan Purchase Contract (an "**Origination Agreement**") with the Department. Among other requirements, each Mortgage Lender must be an approved or delegated Fannie Mae or Freddie Mac seller/servicer or otherwise be an eligible lender in good standing or delegated for HUD- or VA-insured mortgage loans or RHS-guaranteed mortgage loans.

Each Origination Agreement establishes requirements regarding the type of loans that will qualify as Underlying Loans. Such requirements are based on policies adopted by the Department and are subject to change. Underlying Loans will be purchased by the Master Servicer and aggregated with other Underlying Loans into a loan pool supporting a Guaranteed Mortgage Security. Such Guaranteed Mortgage Securities are then purchased from the Master Servicer by the Trustee. Under the Master Servicing Agreement (defined below), the Master Servicer is responsible for remitting the principal and interest payments scheduled to be made on the Underlying Loans under the terms of the applicable GNMA, Fannie Mae and Freddie Mac documents. See "The Master Servicer and Servicing" below for more information regarding the Master Servicer. See Appendix A hereto for information about the GNMA, Fannie Mae and Freddie Mac programs.

The Master Servicer and Servicing

General. As more fully described above, the Master Servicer is required to purchase Underlying Loans from Mortgage Lenders, to issue Guaranteed Mortgage Securities backed by such Underlying Loans, and to sell such Guaranteed Mortgage Securities to the Trustee. Once Guaranteed Mortgage Securities have been issued or sold to the Trustee, as applicable, the Master Servicer's primary duties involve the collection and distribution to the Trustee, GNMA, Fannie Mae and Freddie Mac, as appropriate depending on program requirements, of payments received on account of the Underlying Loans. See Appendix A hereto for information about the Master Servicer's role under the GNMA, Fannie Mae and Freddie Mac programs.

Pursuant to the Master Servicing Agreement, IHFA is expected to service any Underlying Loans pooled into Guaranteed Mortgage Securities which are acquired by the Trustee.

The Master Servicer. The information under this subheading has been provided solely by IHFA and is believed to be reliable but has not been verified independently by the Department. No representation whatsoever as to the accuracy, adequacy, or completeness of such information is made by the Department.

IHFA is (i) an FHA-, VA- and USDA/Rural Development-approved lender in good standing, (ii) a GNMA-approved seller and servicer of mortgage loans and an issuer of mortgage-backed securities guaranteed by GNMA, (iii) a Fannie Mae-approved seller and servicer of Fannie Mae securities and (iv) a Freddie Mac-approved seller and servicer of Freddie Mac securities. As of June 30, 2024, IHFA serviced 261,305 single-family mortgage loans with an aggregate principal balance of approximately $33.2 billion. IHFA currently services single-family mortgage loans for housing finance authorities, mutual savings banks, non-profit associations and commercial banks, as well as Fannie Mae, GNMA and Freddie Mac. As of June 30, 2024, according to its unaudited quarterly financial statements, IHFA had total assets, not including deferred outflows of resources, of $4.8 billion and a net position of approximately $660 million. For the twelve months ending June 30, 2024, IHFA originated and purchased single-family mortgage loans in a total principal amount of approximately $1.7 billion in Idaho and another $5.3 billion for its partnership states.

Agreement with IHFA. IHFA will acquire and service Underlying Loans under the terms of a Program Administration and Servicing Agreement among the Department and IHFA (as it may be amended from time to time, the "**Master Servicing Agreement**"). The principal responsibilities of IHFA under the Master Servicing Agreement include purchasing and pooling Underlying Loans, issuing and/or selling the Guaranteed Mortgage Securities at the Department's direction (*e.g.* to the Trustee) and servicing the Underlying Loans (subject to the standard GNMA, Fannie Mae and Freddie Mac procedures for servicing mortgage loans).

The Department is responsible under the Master Servicing Agreement for reviewing each Underlying Loan originated by the Mortgage Lenders to determine compliance with GNMA, Fannie Mae and Freddie Mac loan documentation. Upon completion of such review, IHFA is required to acquire approved Underlying Loans on behalf of the Department and complete all required documents and forms incidental to the inclusion of such Underlying Loans in GNMA, Fannie Mae or Freddie Mac pools.

The Master Servicing Agreement requires that IHFA service each Underlying Loan it acquires. Its rights as a servicer include, among others, the right to execute and deliver customary consents, waivers and releases, the right to collect insurance proceeds, and the right to effectuate foreclosure proceedings (so long as such rights are exercised in accordance with applicable GNMA, Fannie Mae and Freddie Mac documents). IHFA also is responsible under the Master Servicing Agreement for remitting the principal and interest payments made on the Underlying Loans under the terms of the applicable GNMA, Fannie Mae and Freddie Mac documents. If the Master Servicing Agreement is not extended, the obligations of the Master Servicer to service the mortgage loans it has pooled under Guaranteed Mortgage Securities will continue.

Under the Master Servicing Agreement, IHFA purchases from the Department the servicing rights to the first $300 million in loans purchased during a calendar year. For loans purchased during a calendar year in excess of $300 million, the Department receives monthly servicing release fees. IHFA receives a portion of each installment of interest under the loans acquired and certain late charges paid by mortgagors as compensation for its services under the Master Servicing Agreement.

Subject to written approval by the Department and the Trustee, the obligations and duties of IHFA under the Master Servicing Agreement may be assigned to another firm then currently approved to act in such capacity by GNMA, Fannie Mae or Freddie Mac.

OTHER OUTSTANDING INDEBTEDNESS

The following table shows the principal amounts of bonds outstanding under the Department's Multifamily Housing Program and its Elderly and Disabled Housing Program as of July 1, 2024:

Title	Dated	Amount Issued	Amount Outstanding	Final Maturity
Multifamily Housing Revenue Bonds				
2004 Series A	September 9, 2004	$ 5,120,000	$ 3,565,000	2045
2005 Series A	August 30, 2005	9,855,000	290,000	2046
2006 Series A	December 19, 2006	5,680,000	1,135,000	2036
2010 Series A	August 25, 2010	77,705,000	2,875,000	2042
2010 Series B	November 9, 2010	16,425,000	8,000,000	2052
2012 Series A	October 31, 2012	1,425,000	675,000	2032
2012 Series B	October 31, 2012	35,335,000	1,520,000	2043
Total		$ 151,545,000	$ 18,060,000	

Title	Dated	Amount Issued	Amount Outstanding	Final Maturity
Elderly and Disabled Housing Bonds (1)				
1993 Series C	December 16, 1993	$ 13,915,000	$ 635,000	2026
1994 Series B	September 29, 1994	24,400,000	5,000	2026
1995 Series A.................	June 27, 1995	14,100,000	10,000	2026
1995 Series B	December 20, 1995	24,240,000	755,000	2027
1997 Series A	September 30, 1997	8,475,000	5,000	2028
1998 Series B	October 27, 1998	10,285,000	5,000	2030
1999 Series B	May 20, 1999	4,485,000	5,000	2030
1999 Series E	November 4, 1999	19,105,000	10,000	2031
2001 Series C.................	August 29, 2001	25,325,000	5,000	2029
2002 Series B.................	October 29, 2002	37,905,000	10,000	2024
2002 Series C	October 29, 2002	13,595,000	990,000	2043
2003 Series C	October 30, 2003	2,930,000	5,000	2034
2007 Series A	April 24, 2007	26,300,000	16,590,000	2048
Total		$ 225,060,000	$ 19,030,000	

(1) General obligation bonds of the State for multifamily housing for elderly and disabled persons.

In addition, the Department has issued bonds under its Housing Development Program as described under "OTHER HOUSING FINANCE PROGRAMS OF THE DEPARTMENT – Housing Development Program" above.

TAX MATTERS

General

The requirements of applicable federal tax law must be satisfied with respect to the Offered Bonds in order that interest on the Offered Bonds not be included in gross income for federal income tax purposes retroactive to the date of issuance thereof.

Section 143 Requirements

Certain requirements contained in Section 143 of the Code, described above under "THE PROGRAM – Requirements of Section 143 of the Code Relating to Certain Mortgage Loans and Underlying Loans," will be generally applicable to the Mortgage Loans and Underlying Loans financed with proceeds allocable to the Offered Bonds.

The State has included provisions in the Indenture, the Procedural Guide, the Program Loan Purchase Agreement and other relevant documents, and has established procedures (including receipt of certain affidavits and warranties from Mortgage Lenders, borrowers and others respecting the mortgage eligibility requirements) in order to ensure compliance with the applicable requirements of Sections 143 and 148 of the Code, including the mortgage eligibility requirements, the requirements to correct any failure to comply with the mortgage eligibility requirements and the requirements relating to non-mortgage investments as described under "THE PROGRAM" herein. The State has covenanted in the Indenture to take all actions which are necessary to comply with the applicable mortgage eligibility requirements of the Code and the applicable arbitrage limitations of Sections 143 and 148 of the Code and for such purpose, to adopt and maintain appropriate procedures. The State believes that the procedures and documentation requirements established for the purpose of fulfilling this covenant are sufficient to ensure that the proceeds of the Offered Bonds will be applied in accordance with the applicable requirements of Sections 143 and 148 of the Code so that interest on the Offered Bonds will not be included in gross income for purposes of federal income taxation. In the opinion of Bond Counsel, the procedures that have been established in the Indenture, the Procedural Guide and other relevant Program documents are sufficient, if followed by the State, to comply with the applicable requirements of the Code, and Bond Counsel has assumed therefore that such procedures will continue to be carried out and that such Indenture covenant will be complied with by the State in rendering its opinions described below as to federal income tax exemption.

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Department, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Offered Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, (ii) interest on the Series C Bonds and the Series D Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax under the Code; *however*, interest on the Series C Bonds and the Series D Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, (iii) interest on the Series E Bonds is treated as a preference item for purposes of calculating the alternative minimum tax imposed under the Code, and interest on the Series E Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinions, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Department in connection with the Offered Bonds, and Bond Counsel has assumed compliance by the Department with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Offered Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, interest on the Offered Bonds is exempt from personal income taxes imposed by the State.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Offered Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Offered Bonds.

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Offered Bonds in order that interest on the Offered Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Offered Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Offered Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Department has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Offered Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Offered Bonds under existing statutes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of an Offered Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of an Offered Bond.

Prospective owners of the Offered Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and Railroad Retirement benefits, and individuals otherwise eligible for the earned income tax credit and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Offered Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("**OID**") is the excess of the sum of all amounts payable at the stated maturity of a Series C Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series C Bonds. In general, the issue price for each maturity of the Series C Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement. Bond Counsel further is of the opinion that, for any Series C Bonds having OID (a "**Discount Bond**"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series C Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Series C Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series C Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series C Bond (a "**Premium Bond**"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Offered Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing an Offered Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Offered Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could adversely affect the tax-exempt status of interest on the Offered Bonds under federal or state law or otherwise prevent beneficial owners of the Offered Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) or such decisions could affect the market price or marketability of the Offered Bonds.

Prospective purchasers of the Offered Bonds should consult their own tax advisors regarding the foregoing matters.

ABSENCE OF LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Offered Bonds or in any way contesting or affecting the validity of the Offered Bonds or any proceedings of the State taken with respect to the issuance and sale thereof, the pledge or application of any moneys or securities provided for the payment of the Offered Bonds or the existence or powers of the State insofar as they relate to the authorization and sale of the Offered Bonds or such pledge or application of moneys and securities.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance, sale and delivery of the Offered Bonds are subject to the approval of Hawkins Delafield & Wood LLP, Portland, Oregon and New York, New York, Bond Counsel to the Department, whose approving opinion will be delivered with the Offered Bonds in substantially the form set forth in Appendix J hereto. Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Omaha, Nebraska, for the Bank by its counsel, Chapman and Cutler LLP, Chicago, Illinois, and for the Department by the Oregon Department of Justice, Salem, Oregon.

FINANCIAL STATEMENTS

The audited financial statements of the Oregon Housing and Community Services Department as of and for the fiscal year ended June 30, 2023, together with the independent auditor's report dated October 30, 2023, of LaVonne Griffin-Valade, Secretary of State, are included as Appendix B hereto.

CERTAIN INFORMATION RELATING TO INVESTMENTS

The State Treasurer invests moneys held on behalf of State agencies, including the Department, and participating local governments through two pooled investment vehicles or through separate accounts with guidelines specific to each agency's investment needs. Such guidelines are subject to change from time to time. Some of the agency moneys invested by the State Treasurer are bond proceeds pending disbursement or moneys held for bond debt service. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (the "**OIC**"). The OIC, created by a 1965 legislative act, establishes investment policies for all State funds. The State Treasurer is responsible for implementing those policies. The Governor appoints four of the OIC's five voting members, who are subject to confirmation by the Oregon Senate. The State Treasurer serves by statute. The State Treasurer pooled investment vehicles for State moneys are the statutory Oregon Short Term Fund (the "**OSTF**") and the internally established Oregon Intermediate Term Pool (the "**OITP**").

Prior to transfer to the Trustee, Revenue Account funds received as payments on Mortgage Loans are held on deposit in accounts of the State Treasury that are invested in the OSTF. Revenue Account funds are not invested in the OITP. Funds in other Accounts established by or pursuant to the Indenture are not invested in the OSTF or OITP. No amounts in the OSTF, the OITP, or any other fund or account of the State Treasurer, provide any security for the Bonds.

The OSTF is a short-term cash investment vehicle created by statute to invest State agency and Oregon local government moneys. The OSTF is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer manages the OSTF within guidelines established by the OIC, with advice from and in consultation with, the OSTF Board. Primary investment objectives established for the fund are, in order of priority: preservation of principal, liquidity and yield. As of July 1, 2024, the OSTF totaled approximately $33.1 billion.

The current OSTF guidelines require at least 50% of the portfolio to mature or re-price within 93 days; no more than 25% of the portfolio may have a maturity longer than one year; and no investments may have a maturity longer than three years as measured from the settlement date of the initial transaction. Maturity dates are calculated using proxies permitted by OIC-approved policy for securities that have been called, securities with a put option, variable-rate securities and Asset-Backed securities. Total weighted average credit quality of the portfolio must be a minimum of AA or Aa2 by S&P Global Ratings, or Moody's Investors Services, respectively. The current OSTF guidelines allow the following (subject to change at any time):

Issue Type	Maximum Holdings % or $	Minimum Ratings S&P/Moody's/Fitch
U.S. Treasury Obligations (1)	100%	None
U.S. Agency Securities (1) Per Issuer	100% 33%	None None
Foreign Government & Instrumentalities (1) Per Issuer	25% 10%	AA-/Aa3/AA-
Corporate Securities (Total) Corporate Bonds Commercial Paper (2) Per Issuer	50% 50% 50% 5%	A-/A3/A- A-1/P-1/F-1
Asset-Backed Securities Per Issuing Trust	25% 5%	AAA/Aaa/AAA A-1+/P-1/F-1+
Negotiable Certificates of Deposit Per Issuer	20% 5%	A-1/P-1/F-1
Bankers' Acceptances Per Issuer	20% 5%	A-1/P-1/F-1
Time Certificates of Deposit (3) Per Issuer	20% 5%	None

Issue Type	Maximum Holdings % or $	Minimum Ratings S&P/Moody's/Fitch
Municipal Debt (Total) Municipal Commercial Paper Short Term Municipal Obligations Per Issuer	25% 25% 25% 10%	AA-/Aa3/AA- A-1/P-1/F-1 SP-1/(V)MIG1/F-1
Repurchase Agreements (4) Per Counterparty	100% 5%	None
Reverse Repurchase Agreements (5) Per Counterparty	100% 5%	None
Oregon Local Government Intermediate Fund ("**OLGIF**")	$250 Million	A-/A3/A-

(1) Securities guaranteed by the U.S. Treasury, a U.S. Agency or a Foreign Government or its Instrumentality will be considered a U.S. Treasury, a U.S. Agency or a Foreign Government or its Instrumentality for the purposes of this policy.
(2) Commercial Paper (CP) must have top-tier short-term ratings by at least two of the nationally recognized statistical rating organizations (NRSROs) at the time of purchase.
(3) Permitted Time Certificates of Deposit (TCDs) will be limited to qualified depositories meeting the requirements of ORS 295.008. Maximum TCD exposure per depository must be no more than 5% of the issuing bank's total deposits, or $250,000, whichever is greater. Maximum credit union exposure per depository shall be $250,000.
(4) Repurchase Agreements (Repos) must have a maximum maturity of 90 days, be with counterparties with net capital greater than $100 million, Repos must equal no more than 2% of a counterparty's liabilities, counterparties must be a Primary Dealer as recognized by the Federal Reserve Bank or the State Treasurer's custodial agent and have a signed agreement, collateral for repurchase agreements may be U.S. Treasury or U.S. Agency Discount and Coupon securities with a final maturity of three years or less and the market value of the delivered collateral must be maintained at not less than 102% of the cash invested.
(5) Reverse Repurchase Agreements must have a maximum maturity of 93 days, counterparties must be a Primary Dealer as recognized by the Federal Reserve Bank and have a signed repurchase agreement. Acceptable reinvestment vehicles include securities that may otherwise be purchased outright. Securities will be reversed on a fully collateralized basis; and reverse repurchase investments for interest rate arbitrage can only be done on a matched book basis.

The State's custodian, State Street Bank and Trust Company, periodically lends securities in the OSTF to primary dealers, as recognized by the Federal Reserve Bank, on a fully collateralized basis.

SECONDARY MARKET DISCLOSURE

The State, acting by and through the State Treasurer and the Department, is entering into an undertaking (the "**Continuing Disclosure Certificate**") for the benefit of the holders of the Offered Bonds to send certain financial information and operating data annually and to provide notice of certain events to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12). A copy of the proposed form of the Continuing Disclosure Certificate for the Offered Bonds is contained in Appendix F hereto.

During the past five years, there have been instances where the nine-digit CUSIP numbers of Bonds were inadvertently not linked to filings of the Department's annual financial information. The Department has taken action to correct such filings and on all future filings that apply to all Bonds will file by six-digit CUSIP numbers to ensure that individual nine-digit CUSIP numbers are not inadvertently excluded.

RATINGS

The Series C Bonds are rated Aa2 by Moody's Investors Service ("**Moody's**"). The Variable Rate Bonds are expected to be rated Aa2/VMIG 1 by Moody's. The assignment of such ratings with respect to the Variable Rate Bonds by Moody's will be conditioned upon the effectiveness of the Initial Liquidity Facilities with respect to the Variable Rate Bonds at the time of their delivery. Such ratings reflect only the views of Moody's and are not a recommendation to buy, sell or hold the Offered Bonds. An explanation of the significance of such ratings may be obtained from Moody's. There is no assurance that such ratings will be maintained for any given period of time or may not be raised, lowered, suspended or withdrawn entirely by Moody's, if in its judgment, circumstances warrant. Any such downward change in or suspension of or withdrawal of such ratings may have an adverse effect on the market price of the Offered Bonds.

The Department undertakes no responsibility for updating the ratings set forth in this Official Statement except the ratings of the Offered Bonds set forth in the immediately preceding paragraph. See "SECONDARY MARKET DISCLOSURE" above and Appendix F hereto. Unless otherwise specified herein, all ratings are as of the date of this Official Statement.

UNDERWRITING

The Series C Bonds are being purchased by Jefferies LLC; J.P. Morgan Securities LLC; Morgan Stanley & Co. LLC; RBC Capital Markets, LLC; Raymond James & Associates, Inc.; and Wells Fargo Bank, N.A. (collectively, the "**Underwriters**"). The Underwriters have jointly and severally agreed to purchase the Series C Bonds at a price of $_________. The Underwriters will receive an underwriting fee of $_______ with respect to their purchase of the Series C Bonds. The Bond Purchase Agreement with respect to the Series C Bonds provides that the Underwriters will purchase all of the Series C Bonds, if any are purchased, subject to certain terms and conditions set forth in such Bond Purchase Agreement. The obligation of the Underwriters to purchase the Series C Bonds is conditioned on the issuance and delivery of the Variable Rate Bonds. The initial public offering prices of the Series C Bonds may be changed, from time to time, by the Underwriters. The Underwriters may offer and sell the Series C Bonds to certain dealers (including dealers depositing the Series C Bonds into investment trusts) and certain dealer banks and banks acting as agents, at prices lower than the public offering prices stated on the inside cover page hereof.

The Variable Rate Bonds are being purchased by Jefferies LLC ("**Jefferies**"). Jefferies has agreed to purchase the Variable Rate Bonds at a price equal to par. Jefferies will receive an underwriting fee of $__________ with respect to its purchase of the Variable Rate Bonds. The Bond Purchase Agreement with respect to the Variable Rate Bonds provides that Jefferies will purchase all of the Variable Rate Bonds, if any are purchased, subject to certain terms and conditions set forth in such Bond Purchase Agreement. The obligation of Jefferies to purchase the Variable Rate Bonds is conditioned on the issuance and delivery of the Series C Bonds. The initial public offering price of the Variable Rate Bonds may be changed, from time to time, by Jefferies. Jefferies may offer and sell the Variable Rate Bonds to certain dealers (including dealers depositing the Variable Rate Bonds into investment trusts) and certain dealer banks and banks acting as agents, at prices lower than the public offering prices stated on the inside cover page hereof.

Information Provided by the Underwriters

This paragraph was provided by J.P. Morgan Securities LLC ("**JPMS**"), one of the Underwriters of the Series C Bonds. JPMS has entered into negotiated dealer agreements (each, a "**Dealer Agreement**") with each of Charles Schwab & Co., Inc. ("**CS&Co**.") and LPL Financial LLP ("**LPL**") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series C Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series C Bonds that such firm sells.

This paragraph was provided by Morgan Stanley & Co. LLC ("**Morgan Stanley**"), one of the Underwriters of the Series C Bonds. Morgan Stanley has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series C Bonds.

This paragraph was provided by Wells Fargo Bank, N.A. ("**WFBNA**"), one of the Underwriters of the Series C Bonds. WFBNA, acting through its Municipal Finance Group, has entered into an agreement (the "**WFA Distribution Agreement**") with its affiliate, Wells Fargo Clearing Services, LLC, (which uses the trade name '**Wells Fargo Advisors**') ("**WFA**"), for the distribution of certain municipal securities offerings, including the Series C Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting compensation with respect to the Series C Bonds with WFA. WFBNA has also entered into an agreement (the "**WFSLLC Distribution Agreement**") with its affiliate, Wells Fargo Securities, LLC ("**WFSLLC**"), for the distribution of municipal securities offerings, including the Series C Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company. Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including WFBNA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

This paragraph was provided by the Underwriters. The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Department, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Department.

The Underwriters have also provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement as it relates to the Offered Bonds in accordance with, and as part of their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THE TRUSTEE AND THE TENDER AGENT

This section was provided by U.S. Bank Trust Company, National Association. The Department has appointed U.S. Bank Trust Company, National Association to serve as Trustee pursuant to the Indenture and as tender agent (the "**Tender Agent**") pursuant to each Initial Liquidity Facility. U.S. Bank Trust Company, National Association is to carry out those duties assignable to it under the Indenture and each Initial Liquidity Facility. Except for the contents of this section, U.S. Bank Trust Company, National Association has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the contents, accuracy, fairness or completeness of the information set forth in this Official Statement.

The Trustee has no oversight responsibility, and is not accountable, for the use or application by the Department of any of the Bonds authenticated or delivered pursuant to the Indenture or for the use or application of the proceeds of such Bonds by the Department. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

ADDITIONAL INFORMATION

Certain provisions of the Act and the Indenture are summarized in this Official Statement. Such summaries do not purport to be comprehensive or definitive and reference is made to such documents for a full and complete statement of their respective provisions. The references to or summaries herein of the Act, the Indenture, the Bond Declarations, each Initial Liquidity Facility and other documents relating to the Offered Bonds contained or referred to herein do not purport to be complete and reference is made to such documents for full and complete statements of their provisions. Copies, in reasonable quantity, of the Act, the Indenture, the Bond Declarations and each Initial Liquidity Facility may be obtained upon request directed to the Oregon Housing and Community Services Department, 725 Summer Street NE, Suite B, Salem, Oregon 97301-1266 or, during the offering period, to the Underwriters c/o Jefferies LLC, 520 Madison Avenue, 6th Floor, New York, NY 10022.

The information contained above is subject to change without notice, and no implication is to be derived therefrom or from the sale of the Offered Bonds that there has been no change in the affairs of the Department from the date hereof. Pursuant to the Indenture, the Department has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the Indenture and to cause such books to be audited for each fiscal year. The Indenture requires that such books be open to inspection at all reasonable times by any Bondowners during regular business hours.

This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used in whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Department and the purchasers or owners of any of the Offered Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Department.

STATE OF OREGON
Tobias Read
State Treasurer

By: __________________________________
Jaime Alvarez
Director, Debt Management Division

STATE OF OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

By: __________________________________
Caleb Yant
Deputy Director

October __, 2024

APPENDIX A

SUMMARY OF CERTAIN MORTGAGE INSURANCE AND SECURITY GUARANTY PROGRAMS

Introduction

The United States Department of Housing and Urban Development ("HUD"), created by the Housing and Urban Development Act of 1965, is responsible for the administration of various federal programs authorized under the National Housing Act of 1934, as amended (the "National Housing Act"), and the United States Housing Act of 1937, as amended. The Department of Veterans Affairs ("VA") administers the mortgage guarantee program authorized under the Servicemen's Readjustment Act of 1944, as amended (the "Servicemen's Readjustment Act"). Title V of the Housing Act of 1949, as amended, along with similar subsequent legislation, permits the United States Department of Agriculture Rural Development ("RD") to assist low- to moderate-income homebuyers in designated rural areas with obtaining mortgage loans by guarantying a portion of each mortgage loan (the "Single Family Housing Guaranteed Loan Program"). These programs may be financed by annual appropriations from Congress, as well as by mortgage insurance premiums and fees; subsidies and insurance payments are in some cases made from trust funds established under the various programs.

Following is a summary of such programs, and others, relating to mortgages which the Department intends to finance under the Single-Family Mortgage Program and is only a brief outline and does not purport to summarize or describe all of the provisions of such programs. For a more complete description of the terms of such programs, reference is made to the provisions of the contracts embodied in the regulations of the FHA, VA and RD, respectively, and of the regulations, master insurance contracts and other such information of the various private mortgage insurers and federal government guarantors.

Federal Housing Administration Mortgage Insurance Programs

The National Housing Act authorizes various Federal Housing Administration ("FHA") mortgage insurance programs, which differ in some respects depending primarily upon whether the premises contain five or more dwelling units or less than five such units. Insurance benefits are payable upon foreclosure (or other acquisition of possession) and conveyance of the premises to HUD. Assignment of a defaulted loan to FHA is not permitted.

Under some of the FHA insurance programs, insurance claims are paid by FHA in cash unless the insured specifically requests payment in debentures issued by FHA. Under others, FHA has the option at its discretion to pay insurance claims in cash or in such debentures. The current FHA policy, subject to change at any time, is to make insurance payments on single family mortgage loans in cash with respect to all programs covering such units as to which it has discretion to determine the form of insurance payment. FHA debentures issued in satisfaction of FHA insurance claims bear interest payable semi-annually on January 1 and July 1 of each year at the FHA debenture interest rate in effect under FHA regulations on the date the FHA mortgage insurance commitment was issued or as of the date of the initial insurance endorsement of the mortgage loan, whichever rate is higher.

When entitlement to insurance benefits results from foreclosure (or other acquisition of possession) and conveyance, the insurance payment is computed as of the date of the institution of foreclosure or the date of acquisition of the property whichever is earlier, and the insured generally is not compensated for interest accrued and unpaid prior to that date. Under such circumstances, the amount of insurance benefits generally paid by FHA is equal to the unpaid principal amount of the mortgage loan adjusted to reimburse the mortgagee for certain tax, insurance and similar payments made by it and to deduct certain amounts received or retained by the mortgagee after default, plus reimbursement not to exceed two-thirds of the mortgagee's foreclosure costs. The regulations under all insurance programs described above provide that the insurance payment itself bears interest from the date of default by the mortgagor, which under HUD regulations will occur no less than 30 days after the due date of a mortgage payment to the date of payment of the claim at the same interest rate as the applicable HUD debenture interest rate determined in the manner set forth above.

When any property conveyed to FHA has been damaged by fire, earthquake, flood or tornado or the property has suffered damage due to failure of the mortgagee to make required inspections, it is required, as a condition to payment of an insurance claim, that such property be repaired by the mortgage lender prior to such conveyance. In some instances, when damage has resulted from failure of the mortgagee to inspect and preserve the property, FHA may deduct the amount of such damages from the insurance payment made by FHA.

The continuation of the availability of FHA mortgage insurance depends on periodic action by the United States Congress to increase the limitation on the aggregate amount of loan guarantees. Through legislative action by the United States Congress or changes in regulations by HUD, the fees and standards for participation in FHA insurance programs may change. The United States Congress has approved and may continue to approve modifications to the FHA insurance program, including increases in insurance premiums and limitations on the financing of fees and down payments. It is not possible to predict the effect of legislative or regulatory action, if any, on the ability of the Department to purchase Mortgage Loans or Guaranteed Mortgage Securities.

Department of Veterans Affairs Guarantee Program

The Servicemen's Readjustment Act permits a veteran (or in certain instances, the veteran's spouse and certain qualifying reservists) to obtain a loan guarantee by the VA covering mortgage financing of the purchase of a one-to-four family dwelling unit at interest rates permitted by the VA. The program has no mortgage loan limits, requires no down payment from the purchaser and permits the guarantee of mortgage loans with terms limited by the estimated economic life of the property, up to approximately 30 years.

The maximum VA mortgage loan guaranty under this program is the lesser of the veteran's "maximum amount of guaranty entitlement" and (a) for home and condominium loans up to $45,000, 50% of the original principal amount of the loan; (b) for home and condominium loans over $45,000 but not more than $56,250, $22,500; (c) for home and condominium loans over $56,250 but not more than $144,000, the lesser of $36,000 or 40% of the original principal amount of the loan; (d) for home and condominium loans over $144,000, 25% of the original principal amount of the loan; or (e) for manufactured home loans, the lesser of 40% of the original principal amount of the loan or $20,000. The "maximum amount of guaranty entitlement" applies only to veterans who had previous VA-guaranteed loans with unreimbursed losses to VA and is (i) for loans described in clauses (a), (b) or (c) of the previous sentence, $36,000 reduced by the amount of such losses, (ii) for loans described in clause (d) of the previous sentence, 25% of the Freddie Mac conforming loan limit, as adjusted, reduced by the amount of such losses and (iii) for loans described in clause (e) of the previous sentence, $20,000 reduced by the amount of such losses.

The liability on the guarantee is reduced or increased pro rata with any reduction or increase in the amount of the indebtedness, but in no event will the amount payable on the guarantee exceed the amount of the original guarantee. Notwithstanding the dollar and percentage limitations of the guarantee, a mortgage lender will ordinarily suffer a monetary loss only where the difference between the unsatisfied indebtedness and the proceeds of a foreclosure sale of a mortgaged premises is greater than the original guarantee, as adjusted. The VA may, at its option and without regard to the guarantee, make full payment to a mortgage lender of unsatisfied indebtedness on a mortgage upon its assignment to the VA.

RD Single Family Housing Guaranteed Loan Program

Under its Single Family Housing Guaranteed Loan Program, RD provides mortgage guarantees for eligible households or families for single family rural housing loans. An RD guarantee constitutes an obligation supported by the full faith and credit of the United States. Under the Single Family Housing Guaranteed Loan Program, RD guarantees mortgage loans with terms of 30 years for the acquisition of single family dwellings and related facilities. Such mortgage loans are limited to properties in designated rural areas which are generally defined as being open country or any town, village, city or place, which, in each case, is not a part of or associated with an urban area and which (1) has a population not in excess of 10,000 and is rural in character, or (2) has a population in excess of 10,000 but not in excess of 20,000, is not contained in a Metropolitan Statistical Area and has a serious lack of mortgage credit for low-income and moderate-income households, as determined by the Secretary of Agriculture and the Secretary of HUD. Guaranteed mortgage loans for single family dwellings may be made for up to 100% of the property's present market value, selling price, or cost of acquisition and development. RD imposes certain loan limitations and other requirements under the program.

Under the RD guarantee, the maximum loss payment will be the lesser of: (1) any loss of an amount equal to 90% of the principal amount actually advanced to the mortgagor, or (2) any loss sustained by the lender of an amount up to 35% of the principal amount actually advanced to the mortgagor, plus any additional loss sustained by the lender of an amount up to 85% of the remaining 65% of the principal amount actually advanced to the mortgagor.

The amount of loss includes only (1) principal and interest evidenced by the note; (2) any loan subsidy due and owing (if applicable); (3) any principal and interest indebtedness on the RD approved protective advances for protection and preservation of collateral; and (4) certain foreclosure costs. Interest is covered by the guarantee to the date of the final loss settlement when the lender conducts liquidation of the collateral in an expeditious manner. Liquidation of the collateral is considered to be upon receipt of the sheriff's deed after expiration of the statutory redemption period. Net proceeds received from liquidation of the collateral will be used in calculating the amount of loss sustained. If the lender acquires the collateral, RD will determine the net proceeds from collateral for calculating loss as follows: (1) the collateral will be appraised at its current market value as of the date of acquisition by the lender, and (2) then is deducted from such appraised value an estimate of liquidation costs, including an allowance for the estimated time the property will be held by the lender. RD will pay its claim based on an appraisal after foreclosure has occurred rather than upon the sale of the property. If the lender sells the collateral to a third party, RD will pay its claim based on the sales price. Final loss payments will be made within 60 days of liquidation of the mortgage loan.

Private Mortgage Insurance Programs

Under policies issued by private mortgage insurers, the maximum amounts insurable range from 90% to 97% of the appraised value or selling price for owner-occupied dwellings, whichever is lower. Requirements of borrower equity vary according to the percentage of the mortgage to be insured. Certain insurers will credit toward the value of the land to be improved, trade-in property or work equity a specified percentage of this amount, if at least a minimum cash equity is met and the home is to be owner-occupied. Although there may be variations among insurers, available coverage by private mortgage insurers is generally limited to first mortgage loans or contracts on improved real estate, with amortization over the term of the loan or contract in substantially equal monthly payments, including accruals for taxes and insurance.

Under the various policies, delinquencies must be reported to the insurer within four months of default, and proceedings to recover title are required to be commenced within nine months of default. It is standard practice for private mortgage insurers to require that lending institutions, prior to presenting a claim under the mortgage insurance, acquire and tender to the private mortgage insurer title to the property, free and clear of all liens and encumbrances, including any right of redemption by the mortgagor. When such claim is presented, the private mortgage insurer will normally retain the option to pay the claim in full and take title to the property and arrange for its sale, or to pay the insured percentage of the claim and allow the insured mortgage lender to retain title to the property.

The amount of loss payable generally includes the principal balance due under the mortgage agreement, plus accumulated interest, real estate taxes and hazard insurance premiums which have been advanced, expenses incurred in the preservation of the insured property, and other expenses necessarily incurred in the recovery proceedings, although in no event will the insurer be required to pay an amount which exceeds the coverage under a policy.

Prior to insuring loans for any mortgage lender, the insurer investigates and evaluates such mortgage lender in the areas of (1) quality of appraisal ability, (2) quality of underwriting ability, (3) net worth and quality of assets and (4) ability and past performance of servicing staff and adequacy of servicing procedures.

Mortgage Pool Insurance and Insurance Reserve Account

The Department is required under the Indenture to obtain Mortgage Pool Insurance providing full coverage for losses of principal and interest on any Mortgage Loan (after payment by any other insurer or guarantor thereof), with an aggregate limitation of coverage equal to 10% of the original principal balance of Mortgage Loans which are required to have the benefits of such Mortgage Pool Insurance.

Under Mortgage Pool Insurance policies, it is generally a condition to payment of a claim on any Mortgage Loan that the insured on the policies advance hazard insurance premiums and, as necessary, real estate taxes, property sales expenses and foreclosure costs (including court costs and reasonable attorneys' fees). In the event of default by a mortgagor, if there is any physical loss or damage to the property from any cause, whether by accidental means or otherwise, it is generally a condition to payment of a claim on a Mortgage Loan that the insured on the policies restore the property to its condition at the time of the issuance of the policies (reasonable wear and tear excepted). Therefore, the policies do not provide coverage against hazard loss.

Policies generally provide that no claim may validly be presented thereunder unless (1) premiums on hazard insurance on the property securing a defaulted Mortgage Loan have been paid and other foreclosure, protection and preservation expenses have been paid and (2) if there has been physical loss or damage to a mortgaged property, it has been restored to its condition at the time the Mortgage Loan was made, subject to reasonable wear and tear. Assuming the satisfaction of these conditions, the insurer has the option, after expiration of any applicable redemption period, to either (i) purchase the property securing the defaulted Mortgage Loan at a price equal to the principal balance thereof plus accrued and unpaid interest at the mortgage rate to the date of purchase and certain expenses on condition that the insurer must be provided with good and merchantable title to the mortgaged property (unless the property has been conveyed pursuant to the terms of the applicable mortgage insurance policy) or (ii) pay the amount by which the sum of the principal balance of the defaulted Mortgage Loan plus accrued and unpaid interest at the mortgage rate to the date of the payment of the claim plus certain expenses exceeds the proceeds received from a sale of the property which the insurer has approved. The policies define an "approved sale" as (1) a sale of a property acquired by the Department to a third party because of a default by the mortgagor and to which the insurer has given prior approval, or (2) a foreclosure or trustee's sale of a property to a third party at a price exceeding the maximum amount specified by the insurer to be bid by the Department. In circumstances referred to in both (1) and (2) the amount of payment may be reduced by the amount of loss paid under the applicable mortgage insurance policy.

Claims for losses must generally be filed with the insurer within 60 days after the insured has conveyed title to the property pursuant to an approved sale, and the insurer then has 30 days from the date of filing to pay the claim.

The following table summarizes certain information relating to each Mortgage Pool Insurance policy and the outstanding Mortgage Loans covered as of July 1, 2024.

Series of Bonds	**Insurer (1)**	**Date of Policy**	**Aggregate Net Loss Limitation**	**Balance of Insured Mortgage Loans**
2015 Series A/B/C (Previously 2006 Series A/B/C)	MGIC	2/28/2006	$1,882,045	$ 68,299
2017 Series A/B/C (Previously 2007 Series C/D/E)	MGIC	7/31/2007	2,932,570	636,266
2017 Series A/B/C (Previously 2007 Series F/G/H)	MGIC	11/20/2007	3,309,965	232,897
2017 Series D/E (Previously 2008 Series D/E/F)	MGIC	5/13/2008	2,010,743	159,847

(1) MGIC refers to Mortgage Guaranty Insurance Corporation, Milwaukee, Wisconsin.

When such coverage is required, the Department will fund an Insurance Reserve Account in the Housing Finance Fund in the amounts described under "SECURITY FOR THE BONDS – Mortgage Loans – Insurance Reserve Account." The amount on deposit in the Insurance Reserve Account will be used only to pay the amount of any net loss realized by the Department as a result of default in payments by a mortgagor on any Mortgage Loan entitled to the benefits of such Insurance Reserve Account, after consideration of any payment under any mortgage insurance or guarantee.

Guaranteed Mortgage Securities

GNMA Mortgage-Backed Securities

The Government National Mortgage Association ("GNMA") is a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development ("HUD") with its principal office in Washington, D.C. The Guaranteed Mortgage Securities financed under the Indenture may include Mortgage-Backed Securities issued by GNMA (the "GNMA Securities").

GNMA offers two programs, GNMA I and GNMA II, under which GNMA Securities may be issued. With the proceeds of Bonds, the Department may purchase, as Guaranteed Mortgage Securities, GNMA Securities issued under GNMA I or GNMA II, GNMA Securities issued under any program GNMA institutes in the future and any securities issued by any other Department or instrumentality of or chartered by the United States which has similar powers. GNMA guarantees the timely payment of the principal of and interest on the GNMA Security.

In order to issue the GNMA Securities, the servicer must first apply to and receive from GNMA a commitment to guarantee securities. A GNMA commitment authorizes the servicer to issue GNMA Securities up to a stated amount during a one-year period following the date of the commitment. The servicer is required to pay the application fee to GNMA for such commitments. The amount of commitments to guarantee GNMA Securities that GNMA can approve in any federal fiscal year is limited by statute and administrative procedures. The total annual amount of available commitments is established in appropriation acts and related administrative procedures.

The issuance of each GNMA Security is subject to the following conditions, among others: (1) the origination by the lenders of mortgage loans in a minimum aggregate principal amount at least equal to the minimum size permitted by GNMA for each GNMA Security (such origination being subject, among other conditions, to the availability of FHA mortgage insurance), (2) the submission by the servicer to GNMA of certain documents required by GNMA in form and substance satisfactory to GNMA, (3) the servicer's continued compliance, on the date of issuance of the GNMA Security, with all of GNMA's eligibility requirements, specifically including, but not limited to, certain net worth requirements, (4) the servicer's continued approval by GNMA to issue GNMA Securities, and (5) the servicer's continued ability to issue, execute and deliver the GNMA Security, as such ability may be affected by the servicer's bankruptcy, insolvency or reorganization. In addition, the issuance of a GNMA Security by the servicer is subject to the condition that GNMA must have entered into a guaranty agreement with the servicer.

GNMA Security. GNMA is authorized by Section 306(g) of Title III of the National Housing Act to guarantee the timely payment of the principal of and interest on securities which are based on and backed by, among other things, a mortgage insured by FHA under the National Housing Act. Said Section 306(g) further provides that "[t]he full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion dated December 9, 1969, of an Assistant Attorney General of the United States states that such guarantees under said Section 306(g) of mortgage-backed securities of the type to be delivered to the Trustee by the servicer are authorized to be made by GNMA and "would constitute general obligations of the United States backed by its full faith and credit."

GNMA Borrowing Authority. In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Department of the Treasury (the "Treasury") in an amount outstanding at any one time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on the GNMA Securities. The Treasury is authorized to purchase any obligations so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement the aforementioned guaranty.

GNMA will warrant to the Trustee, as the holder of the GNMA Securities, that, in the event it is called upon at any time to make good its guaranty of the payment of principal and interest on any GNMA Security, it will, if necessary, in accordance with the aforesaid Section 306(d), apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make such payment.

Servicing of the Mortgage Loans. Under contractual arrangements entered into by and between the servicer and GNMA, the servicer is responsible for servicing and otherwise administering the mortgage loans in accordance with generally accepted practices of the mortgage lending industry and the GNMA Servicer's Guide (copies of which may be obtained from GNMA at the Office of Mortgage-Backed Securities, 451 Seventh Street, S.W., Washington, D.C. 20410 or accessed at http://www.ginniemae.gov).

The monthly remuneration of the servicer, for its servicing and administrative functions, and the guaranty fee charged by GNMA, are based on the unpaid principal amount of the GNMA Securities outstanding. Each GNMA Security carries an interest rate that is below the interest rate on the underlying mortgage loans because the servicing and guaranty fees are deducted from payments on the mortgage loans before such payments are forwarded to the trustee.

It is expected that interest and principal payments on the mortgage loans received by the servicer will be the source of money for payments on the GNMA Securities. If such payments are less than the amount then due, the servicer is obligated to advance its own funds to ensure timely payment of all payments due on the GNMA Securities. GNMA guarantees such timely payment in the event of the failure of the servicer to pass through an amount equal to such scheduled payments (whether or not made by the mortgagors).

The servicer is required to advise GNMA in advance of any impending default on scheduled payments so that GNMA, as guarantor, will be able to continue such payments as scheduled on the applicable payment date. However, if such payments are not received as scheduled, the Trustee has recourse directly to GNMA.

Guaranty Agreement. A GNMA guaranty agreement which is entered into by GNMA and the servicer upon issuance of the GNMA Security (the "GNMA Guaranty Agreement") provides that, in the event of a default by the servicer, including (1) a request to GNMA to make a payment of principal or interest on a GNMA Security when a mortgagor is in default under his mortgage, (2) insolvency of the servicer or (3) default by the servicer under any other guaranty agreement with GNMA, GNMA shall have the right, by letter to the servicer, to effect and complete the extinguishment of the servicer's interest in the mortgage loans, and the mortgage loans shall thereupon become the absolute property of GNMA, subject only to the unsatisfied rights of the holder to the GNMA Security. In such event, the GNMA Guaranty Agreement will provide that on and after the time GNMA directs such a letter of extinguishment to the servicer, GNMA shall be the successor in all respects to the servicer in its capacity under the GNMA Guaranty Agreement and the transaction and arrangements set forth or arranged for therein, and shall be subject to all responsibilities, duties, and liabilities (except the servicer's indemnification of GNMA), theretofore placed on the servicer by the terms and provisions of the GNMA Guaranty Agreement, provided that at any time, GNMA may enter into an agreement with any other eligible issuer of GNMA Securities under which the latter undertakes and agrees to assume any part or all such responsibilities, duties or liabilities of GNMA in its capacity as guarantor of the GNMA Security, or otherwise adversely affect the rights of the holders thereof.

Fannie Mae Mortgage-Backed Securities

Information regarding the conservatorship of Fannie Mae is provided below under the heading "Federal Housing Finance Agency Actions."

Fannie Mae is a government sponsored enterprise organized and existing under the Federal National Mortgage Association Charter Act. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market.

Fannie Mae provides funds to the mortgage market primarily by purchasing mortgage loans from lenders, thereby replenishing their funds for additional lending. Fannie Mae acquires funds to purchase mortgage loans from many capital market investors that may not ordinarily invest in mortgage loans, thereby expanding the total amount of funds available for housing.

Fannie Mae Security. Fannie Mae also issues mortgage-backed securities ("Fannie Mae Securities") primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guaranty of timely payment of principal of and interest on Fannie Mae Securities. The issuance of Fannie Mae Securities enables Fannie Mae to further its statutory purpose of increasing the liquidity of residential mortgage loans.

Each Fannie Mae Security which qualifies as a Guaranteed Mortgage Security under the Indenture will be backed by a pool of mortgage loans which may consist of fixed-rate FHA Loans, VA Loans or conventional loans with original terms to maturity of eight to thirty years. Fannie Mae guarantees to each registered holder of a Fannie Mae Security that it will distribute amounts representing such Securityholder's proportionate interest in scheduled principal and interest payments, and any principal prepayments, on the mortgage loans in the pool represented by such Fannie Mae Security (less servicing and guarantee fees aggregating the excess of the interest on such mortgage loans over the Fannie Mae Security's pass-through rate), and such Securityholder's proportionate interest in the full principal amount of any foreclosed or other liquidated mortgage loan, in each case whether or not such amounts are actually received.

The obligations of Fannie Mae under its guarantees are obligations solely of Fannie Mae and are not backed by, nor entitled to, the full faith and credit of the United States. If Fannie Mae were unable to satisfy such obligations, distributions to holders of Fannie Mae Securities would consist solely of payments and other recoveries on the underlying mortgage loans and, accordingly, monthly distributions to holders of Fannie Mae Securities would be affected by delinquent payments and defaults on such mortgage loans.

Fannie Mae Uniform Mortgage-Backed Securities. Since June 3, 2019, Fannie Mae has also issued new, common, single mortgage-backed securities, known as Uniform Mortgage-Backed Securities ("Fannie Mae UMBSs"). Similar to traditional Fannie Mae Securities, Fannie Mae UMBSs finance fixed-rate mortgage loans and are guaranteed by Fannie Mae. Fannie Mae UMBSs are sold into a single to-be-announced ("TBA") market along with Freddie Mac UMBSs (defined below). As first-level securities, Fannie Mae UMBSs and Freddie Mac UMBSs (together, "UMBSs") are backed by fixed-rate mortgage loans purchased entirely by either Fannie Mae or Freddie Mac (defined below), thereby preventing any commingling of collateral. UMBSs have the same structure regardless of the issuer, including the same interest accrual period and 55-day payment delay for investors. UMBSs resemble Fannie Mae Securities and Freddie Mac has altered its security structure to further align its UMBSs with Fannie Mae Securities. Both Fannie Mae and Freddie Mac may be required to consult with each other to ensure that their UMBS programs or policies do not cause or have the potential to cause cash flows to investors of mortgage-backed securities to misalign. For additional information regarding UMBSs, see "Freddie Mac Mortgage-Backed Securities" below.

Freddie Mac Mortgage-Backed Securities

Information regarding the conservatorship of the Federal Home Loan Mortgage Corporation ("Freddie Mac") is provided below under the heading "Federal Housing Finance Agency Actions."

Freddie Mac is a shareholder-owned, government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. Sections 1451-1459. Freddie Mac's statutory mission is to provide stability in the secondary market for home mortgages, to respond appropriately to the private capital market and to provide ongoing assistance to the home mortgage secondary market by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing.

Freddie Mac Security. The principal activity of Freddie Mac consists of the purchase of first-lien, conventional, residential mortgages and participation interests in such mortgages from mortgage lending institutions and the resale of the whole loans and participations so purchased in the form of guaranteed mortgage securities (the "Freddie Mac Securities"). Freddie Mac generally matches its purchases of mortgages with sales of Freddie Mac Securities. Mortgages retained by Freddie Mac are financed with short- and long-term debt and equity capital.

Each Freddie Mac Security which qualifies as a Guaranteed Mortgage Security under the Indenture will represent an undivided interest in a pool of fixed-rate, first-lien conventional mortgage loans or FHA and VA Loans, or participation interests therein. Freddie Mac guarantees to each registered holder of a Freddie Mac Security that it will distribute amounts representing such Securityholder's proportionate interest in interest payments on the mortgage loans in the pool represented by such Freddie Mac Securities (less servicing and guarantee fees aggregating the excess of the interest on such mortgage loans over the Freddie Mac Security's pass-through rate), whether or not such amount is actually received. With respect to certain Freddie Mac Securities, Freddie Mac guarantees the Securityholder's proportionate interest in scheduled principal payments on such mortgage loans, if timely received and also guarantees ultimate collection of scheduled principal payments, prepayments of principal and the remaining principal balance in the event of a foreclosure or other disposition of a mortgage loan. With respect to such Freddie Mac Securities, Freddie Mac may remit the amount due on account of its guarantee of collection of principal at any time after default on an underlying mortgage, but not later than (i) thirty days following foreclosure sale, (ii) thirty days following payment of the claim by any mortgage insurer, or (iii) thirty days following the expiration of any right of redemption, whichever occurs later, but in any event no later than one year after demand has been made upon the mortgagor for accelerated payment of principal.

The obligations of Freddie Mac under its guarantees are obligations solely of Freddie Mac and are not backed by, nor entitled to, the full faith and credit of the United States. If Freddie Mac were unable to satisfy such obligations, distributions to holders of Freddie Mac Securities would consist solely of payments and other recoveries on the underlying mortgage loans and, accordingly, monthly distributions to holders of Freddie Mac Securities would be affected by delinquent payments and defaults on such mortgage loans.

Freddie Mac Uniform Mortgage-Backed Securities. Since June 3, 2019, Freddie Mac has also issued new, common, single mortgage-backed securities, known as Uniform Mortgage-Backed Securities ("Freddie Mac UMBSs"), which are sold in the TBA market along with Fannie Mae UMBSs. The UMBS program is designed to create a single, liquid market for both Fannie Mae and Freddie Mac mortgage-backed securities, thus increasing the liquidity for Freddie Mac Securities which have historically traded at lower prices than Fannie Mae Securities. Much like traditional Freddie Mac Securities, Freddie Mac UMBSs finance fixed-rate mortgage loans and are guaranteed by Freddie Mac. As fungible securities, Freddie Mac permits investors to exchange Freddie Mac Securities for "mirror" UMBSs backed by the same loans as the existing securities and with the same characteristics as the corresponding securities. For additional information regarding UMBSs, see "Fannie Mae Mortgage-Backed Securities" above.

Federal Housing Finance Agency Actions

In accordance with the Federal Housing Finance Regulatory Reform Act of 2008 (the "Regulatory Reform Act"), the Federal Housing Finance Agency (the "FHFA") was named as the conservator of both Fannie Mae and Freddie Mac (each, a "GSE") on September 6, 2008. The FHFA immediately succeeded to (1) all rights, titles, powers and privileges of each GSE, and of any stockholder, officer or director of such GSE with respect to the GSE and its assets, and (2) title to all books, records and assets of the GSE held by any other legal custodian or third party. Under the Regulatory Reform Act, the FHFA is authorized to repudiate contracts entered into by a GSE prior to the FHFA's appointment as conservator if the FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of the GSEs. This right must be exercised within a reasonable period of time after FHFA's appointment as conservator.

On September 7, 2008, the Treasury entered into a "Senior Preferred Stock Purchase Agreement" with each GSE. Those agreements were amended and restated on September 26, 2008, and subsequently amended on May 6, 2009, December 24, 2009 and August 17, 2012. Each such agreement is indefinite in duration and has a maximum capacity of \$200 billion, which amount will increase as necessary to accommodate any cumulative reduction in net worth calculated on a quarterly basis through December 31, 2012. If the FHFA determines that a GSE's liabilities have exceeded its assets under generally accepted accounting principles, the Treasury is required by the agreement to contribute cash capital to the GSE in an amount equal to the difference between liabilities and assets.

So long as the GSEs remain in their current conservatorship and are not placed into receivership, (i) FHFA has no authority to repudiate any contracts entered into after the GSEs were placed into conservatorship, including the GSEs' guaranties related to Securities they issued during their respective conservatorships, and (ii) the rights of holders of securities issued during such conservatorship are not restricted.

Under the Regulatory Reform Act, FHFA must place a GSE into receivership if the FHFA's Director makes a determination that the GSE's assets are, and for a period of 60 days have been, less than the GSE's obligations, or the GSE is unable to pay its debts and have been unable to do so for a like period. The FHFA Director may also place a GSE into receivership in his or her discretion for certain other reasons. A receivership would terminate the FHFA's current conservatorship. If FHFA were to become the receiver of a GSE, it could exercise certain powers that could adversely affect the Department (as holder of the GSE's Securities), as explained below.

As receiver, FHFA could repudiate any contract entered into by a GSE prior to its appointment as receiver if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of the GSE's affairs. The Regulatory Reform Act requires that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as receiver. If FHFA, as receiver, were to repudiate the guaranty obligations of Fannie Mae or Freddie Mac, the receivership estate would be liable for actual direct compensatory damages as of the date of receivership under the Regulatory Reform Act. Any such liability could be satisfied only to the extent the GSE's assets were available for that purpose. Moreover, if a GSE's guaranty obligations were repudiated, payments of principal and/or interest to holders of the GSE's Securityholders would be reduced as a result of borrowers' late payments or failure to pay or a servicer's failure to remit borrower payments to the trust. In that case, trust administration fees would be paid from mortgage loan payments prior to distributions to Securityholders. Any actual direct compensatory damages owed due to the repudiation of the GSE guaranty obligations may not be sufficient to offset any shortfalls experienced by Securityholders.

In its capacity as receiver, FHFA would have the right to transfer or sell any asset or liability of a GSE without any approval, assignment or consent. If FHFA, as receiver, were to transfer a GSE's guaranty obligation to another party, the Department (as a Securityholder) would have to rely on that party for satisfaction of the guaranty obligation and would be exposed to the credit risk of that party.

During a receivership, certain rights of Securityholders may not be enforceable against FHFA, or enforcement of such rights may be delayed. The Regulatory Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which a GSE is a party, or obtain possession of or exercise control over any property of a GSE, or affect any contractual rights of the GSE, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver. If a GSE is placed into receivership and does not or cannot fulfill its guaranty to Securityholders, Securityholders could become unsecured creditors of the GSE with respect to claims made under the GSE's guaranty.

If a GSE emerges from conservatorship and, at a later date, FHFA again were to place the GSE into conservatorship, (i) FHFA would have all of the authority of a new conservator, including the authority to repudiate the guaranty associated with securities issued by the GSE during the current conservatorship, and (ii) certain rights of holders of securities issued during the current conservatorship would again be restricted or eliminated. FHFA currently has all of the authority of a conservator as to securities issued before September 6, 2008, the date the GSEs were placed into conservatorship.

Although the Treasury owns the GSEs' senior preferred stock and has made a commitment under the respective Senior Preferred Stock Purchase Agreements to provide the GSEs with funds under specified conditions to maintain a positive net worth, the U.S. government does not guarantee the GSEs' securities or other obligations.

Fannie Mae currently is required to file periodic financial disclosures with the U.S. Securities and Exchange Commission (the "SEC"), including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, together with any required exhibits. These reports and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. The SEC currently maintains a web site (http://www.sec.gov) that contains reports, proxy statements and other information that Fannie Mae has filed with the SEC. The Senior Preferred Stock Purchase Agreement between the Treasury and Freddie Mac requires Freddie Mac to provide the Treasury with annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. The Department makes no representation regarding the content, accuracy or availability of any such reports or information filed by Fannie Mae or Freddie Mac with the SEC, or any information provided at such web site. The SEC's web site is not part of this Official Statement.

Homeowners Protection Act of 1998

In July 1998, the U.S. Congress enacted, and the President signed, the Homeowners Protection Act of 1998 (the "**HPA**"). The HPA permits a mortgagor responsible for paying the mortgagor's private mortgage insurance premium to cancel private mortgage insurance on the date on which the principal balance of the mortgage loan is scheduled to reach 80% of the original value of the residence or on the date on which the principal balance actually reached 80% of the original value of the residence. The original value is the lesser of the sales price or the appraised value at the time the mortgage loan transaction was consummated. In order to effect such cancellation, the mortgagor must request in writing that the cancellation be initiated, must have a good payment history with respect to the mortgage loan (i.e., no mortgage payment was, during the year beginning two years prior to cancellation, 60 or more days delinquent, and no mortgage payment was, during the year beginning one year prior to cancellation, 30 or more days delinquent), and must satisfy any requirements of the lender for evidence that the value of the residence has not declined below its original value and for certification that the mortgagor's equity in the residence is not encumbered by a subordinate loan. The HPA further provides for automatic termination of private mortgage insurance on the date on which the principal balance of the mortgage loan is scheduled to reach 78% of the original value of the residence, or if the mortgagor is not then current on the mortgagor's mortgage loan payments, on the date on which the mortgagor subsequently becomes current on such payments. Even if the private mortgage insurance is not canceled or terminated as described above, the HPA requires that private mortgage insurance must be terminated on the first day of the month immediately following the date that is the midpoint of the amortization period of the mortgage loan if the mortgagor is then current on the mortgagor's mortgage loan payments. The HPA also requires that mortgagors be provided with certain disclosures and notices regarding termination and cancellation of private mortgage insurance. The HPA applies to mortgage loans which are closed on or after July 29, 1999.

APPENDIX B

FINANCIAL STATEMENTS

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State of Oregon
Housing and Community Services Department

Proprietary Funds - Enterprise Funds
Financial Statements

For the Year Ended June 30, 2023

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Financial Section

Independent Auditor's Report

The Honorable Tina Kotek
Governor of Oregon

Andrea Bell, Director
Oregon Housing and Community Services Department

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Elderly and Disabled Housing Fund and Housing Finance Fund, which collectively comprise the Housing and Community Service Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department (department) as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Housing and Community Services Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department, as of June 30, 2023, and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Housing and Community Service Fund and do not purport to, and do not, present fairly the financial position of the State of Oregon or the Oregon Housing and Community Services Department, as of June 30, 2023, the changes in its financial position or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and the disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing and Community Services Department's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing and Community Service Fund's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issue our report dated October 30, 2023, on our consideration of the department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing and Community Services Department's internal control over financial reporting and compliance.

Office of the Secretary of State, Audits Division

State of Oregon
October 30, 2023

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OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	$ 1,121,341	$ 42,246,808	$ 43,368,149
Cash and Cash Equivalents - Restricted	1,979,708	94,311,396	96,291,104
Securities Lending Cash Collateral	25,843	21,656	47,499
Accounts Receivable	850	298,680	299,530
Accrued Interest Receivable	267,547	5,027,043	5,294,590
Interfund Receivable	-	47,806	47,806
Due from Governmental Funds	177	302,478	302,655
Prepaid Expenses	-	21,147	21,147
Loans Receivable	3,277,752	26,084,604	29,362,356
Acquired Property	-	780,339	780,339
Total Current Assets	6,673,218	169,141,957	175,815,175
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	59,270,813	93,833,797	153,104,610
Investments - Restricted	1,279,736	67,292,900	68,572,636
Loans Receivable	35,574,970	841,622,231	877,197,201
Swap Fair Value Asset	-	16,842,159	16,842,159
Net Other Postemployment Benefits Asset	27,182	180,264	207,446
Capital Assets (Net)	598	2,179	2,777
Leased Assets (Net)	344	1,639	1,983
Total Noncurrent Assets	96,153,643	1,019,775,169	1,115,928,812
Total Assets	102,826,861	1,188,917,126	1,291,743,987
Deferred Outflows of Resources			
Loss on Debt Refundings	-	387,788	387,788
Related to Pensions	467,197	3,222,279	3,689,476
Related to Other Postemployment Benefits	3,951	24,558	28,509
Total Deferred Outflows of Resources	471,148	3,634,625	4,105,773
Total Assets and Deferred Outflows of Resources	$ 103,298,009	$ 1,192,551,751	$ 1,295,849,760

The accompanying notes are an integral part of the financial statements.

Continued on the next page

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	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	$ 37,681	$ 1,393,266	$ 1,430,947
Accrued Interest Payable	397,162	14,746,806	15,143,968
Obligations Under Securities Lending	25,843	21,656	47,499
Interfund Payable	47,806	-	47,806
Due to Governmental Funds	121,887	477,517	599,404
Unearned Revenue	1,087	431,160	432,247
Compensated Absences Payable	66,108	308,268	374,376
Lease Obligations	351	1,671	2,022
Bonds Payable	1,045,000	67,105,000	68,150,000
Arbitrage Rebate Liability	-	82,296	82,296
Pension-related Debt Payable	10,606	37,999	48,605
Total Current Liabilities	1,753,531	84,605,639	86,359,170
Noncurrent Liabilities			
Compensated Absences Payable	37,186	173,401	210,587
Bonds Payable	19,028,098	889,747,311	908,775,409
Arbitrage Rebate Liability	-	35,635	35,635
Pension-related Debt Payable	43,333	155,262	198,595
Net Pension Liability	1,024,689	7,318,524	8,343,213
Total Other Postemployment Benefits Liability (PEBB)	16,135	92,601	108,736
Total Noncurrent Liabilities	20,149,441	897,522,734	917,672,175
Total Liabilities	21,902,972	982,128,373	1,004,031,345
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	-	16,842,159	16,842,159
Gain on Debt Refundings	-	41,467	41,467
Deferred Loan Origination Fees	260,207	3,634,436	3,894,643
Related to Pensions	306,999	2,192,650	2,499,649
Related to Other Postemployment Benefits	18,680	117,265	135,945
Total Deferred Inflows of Resources	585,886	22,827,977	23,413,863
Net Position			
Net Investment in Capital Assets	591	2,147	2,738
Restricted for Residential Assistance	-	1,141,817	1,141,817
Restricted for Other Postemployment Benefits	27,182	180,264	207,446
Restricted by Trust Indentures	79,778,663	151,814,011	231,592,674
Unrestricted	1,002,715	34,457,162	35,459,877
Total Net Position	80,809,151	187,595,401	268,404,552
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 103,298,009	$ 1,192,551,751	$ 1,295,849,760

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Operating Revenues			
Interest on Loans	$ 1,657,506	$ 31,030,017	$ 32,687,523
Investment Income	1,729,782	6,516,934	8,246,716
Administrative Charges and Fees	62,182	7,978,502	8,040,684
Low Income Housing Tax Credit Fees	-	8,028,128	8,028,128
Gain (Loss) on Debt Extinguishment	-	1,327,661	1,327,661
Miscellaneous Revenue	65	1,657	1,722
Total Operating Revenues	3,449,535	54,882,899	58,332,434
Operating Expenses			
Personal Services	1,820,818	12,246,790	14,067,608
Services and Supplies	232,441	3,672,132	3,904,573
Mortgage Service Fees	15,185	2,996,051	3,011,236
Foreclosure Costs	-	24,621	24,621
Interest Expense - Bonds	968,743	25,479,446	26,448,189
Interest Expense - Securities Lending	9,027	9,088	18,115
Other Related Program Expenses	-	3,026,250	3,026,250
Depreciation/Amortization	1,333	7,541	8,874
Total Operating Expenses	3,047,547	47,461,919	50,509,466
Operating Income	401,988	7,420,980	7,822,968
Nonoperating Revenues (Expenses)			
Interest Expense - Pension-related Debt	(3,776)	(13,528)	(17,304)
Interest Expense - Leased Assets	(11)	(53)	(64)
Total Nonoperating Revenues (Expenses)	(3,787)	(13,581)	(17,368)
Income Before Transfers	398,201	7,407,399	7,805,600
Transfers from Other Funds	-	10,000,000	10,000,000
Transfers to Other State Agencies	(51,984)	(315,577)	(367,561)
Increase in Net Position	346,217	17,091,822	17,438,039
Net Position - Beginning	80,462,934	170,503,579	250,966,513
Net Position - Ending	$ 80,809,151	$ 187,595,401	$ 268,404,552

The accompanying notes are an integral part of the financial statements.

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OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Cash Flows from Operating Activities			
Received from Customers	$ 61,332	$ 16,605,539	$ 16,666,871
Program Loan Principal Repayments	4,315,203	65,015,247	69,330,450
Program Loan Interest Received	1,641,757	29,838,714	31,480,471
Program Loans Made	-	(136,638,159)	(136,638,159)
Payments to Employees for Services	(1,352,643)	(9,155,587)	(10,508,230)
Payments to Suppliers for Goods and Services	(284,944)	(6,424,163)	(6,709,107)
Other Receipts (Payments)	65	(1,937,684)	(1,937,619)
Net Cash Provided (Used) in Operating Activities	4,380,770	(42,696,093)	(38,315,323)
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	-	114,018,169	114,018,169
Principal Payments - Bonds	(1,575,000)	(37,500,000)	(39,075,000)
Interest Payments - Bonds	(999,248)	(24,353,479)	(25,352,727)
Bond Issuance Costs	-	(989,191)	(989,191)
Principal Payments - Pension-related Debt	(14,883)	(53,322)	(68,205)
Interest Payments - Pension-related Debt	(3,776)	(13,528)	(17,304)
Transfers from Other Funds	-	10,000,000	10,000,000
Transfers to Other State Agencies	(50,930)	(335,906)	(386,836)
Net Cash Provided (Used) in Noncapital Financing Activities	(2,643,837)	60,772,743	58,128,906
Cash Flows from Capital and Related Financing Activities			
Lease Principal Payments	(1,306)	(6,305)	(7,611)
Lease Interest Payments	(13)	(61)	(74)
Net Cash Provided (Used) in Capital and Related Financing Activities	(1,319)	(6,366)	(7,685)
Cash Flows from Investing Activities			
Purchase of Investments	-	(130,692,371)	(130,692,371)
Proceeds from Sales and Maturities of Investments	-	246,326,867	246,326,867
Interest on Cash and Investments	1,828,852	4,935,878	6,764,730
Investment Income on Securities Lending	9,027	9,088	18,115
Interest Paid on Securities Lending	(9,027)	(9,088)	(18,115)
Net Cash Provided (Used) in Investing Activities	1,828,852	120,570,374	122,399,226
Net Increase (Decrease) in Cash and Cash Equivalents	3,564,466	138,640,658	142,205,124
Cash and Cash Equivalents Balance - Beginning	58,807,396	91,751,343	150,558,739
Cash and Cash Equivalents Balance - Ending	$ 62,371,862	$ 230,392,001	$292,763,863
Cash and Cash Equivalents	$ 1,121,341	$ 42,246,808	$ 43,368,149
Cash and Cash Equivalents - Restricted (Current)	1,979,708	94,311,396	96,291,104
Cash and Cash Equivalents - Restricted (Noncurrent)	59,270,813	93,833,797	153,104,610
Total Cash and Cash Equivalents	$ 62,371,862	$ 230,392,001	$292,763,863

The accompanying notes are an integral part of the financial statements.

Continued on the next page

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	Business-Type Activities - Enterprise Funds		
	Elderly and Disabled Housing Fund	Housing Finance Fund	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	$ 401,988	$ 7,420,980	$ 7,822,968
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	1,333	7,541	8,874
Investment Income Reported as Operating Revenue	(1,729,782)	(6,516,934)	(8,246,716)
Interest Expense Reported as Operating Expense	977,770	25,488,534	26,466,304
Bond Issuance Costs Reported as Operating Expense	-	1,041,405	1,041,405
(Gain) Loss on Debt Extinguishment	-	(1,327,660)	(1,327,660)
(Increase)/Decrease in Assets:			
Loan Interest Receivable	25,484	(395,332)	(369,848)
Accounts Receivable	(850)	23,021	22,171
Interfund Receivable	49,270	30,217	79,487
Due from Governmental Funds	(1,517)	270,768	269,251
Prepaid Expenses	-	(21,147)	(21,147)
Loans Receivable	4,315,203	(71,241,042)	(66,925,839)
Acquired Property	-	(780,339)	(780,339)
Net Other Postemployment Benefits Asset	(2,051)	(46,149)	(48,200)
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	(69,736)	(682,276)	(752,012)
Related to Other Postemployment Benefits	(65)	(931)	(996)
Increase/(Decrease) in Liabilities:			
Accounts Payable	(6,521)	802	(5,719)
Interfund Payable	(30,217)	(49,270)	(79,487)
Due to Governmental Funds	121,123	335,620	456,743
Due to Other Governments	-	(41,180)	(41,180)
Unearned Revenue	361	(95,429)	(95,068)
Compensated Absences Payable	95,404	353,913	449,317
Net Pension Liability	434,083	3,806,186	4,240,269
Total Other Postemployment Benefits Liability	(3,044)	(8,515)	(11,559)
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	(41,593)	279,111	237,518
Related to Pensions	(154,107)	(549,545)	(703,652)
Related to Other Postemployment Benefits	(1,766)	1,558	(208)
Net Cash Provided (Used) in Operating Activities	$ 4,380,770	$ (42,696,093)	$ (38,315,323)
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	$ (107,938)	$ 1,250,622	$ 1,142,684
Foreclosed Property	-	780,339	780,339
Loan Modifications	-	398,469	398,469
Total Noncash Investing, Capital, and Financing Activities	$ (107,938)	$ 2,429,430	$ 2,321,492

NOTE 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Oregon Housing and Community Services Department (OHCSD) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

OHCSD is a part of the State of Oregon reporting entity. OHCSD currently operates under the provisions of Sections 456.515 to 456.725 of the Oregon Revised Statutes.

Through sales of bonds, OHCSD finances home ownership and multi-family units for elderly, disabled, and lower to moderate income persons. OHCSD has issued revenue bonds for the Single-Family Mortgage Program (Mortgage Revenue Bonds) and Multifamily Housing Revenue Bonds. OHCSD has issued State of Oregon general obligation bonds for the Elderly and Disabled Housing Program. State of Oregon general obligation bonds are authorized by Oregon Constitution Article XI-I(2).

The financial statements and notes include only the bonded debt financial activity of OHCSD's housing bond programs. OHCSD operates governmental fund programs which are not included in this report.

B. Basis of Presentation - Fund Accounting

OHCSD programs and accounts are organized by "funds," each of which is a separate accounting entity. Each major program utilizes a separate set of self-balancing accounts to record the assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses of their activities. OHCSD's housing bond programs are classified in proprietary funds. Proprietary funds contain two types of funds: Enterprise Funds and Internal Service Funds. All housing bond programs of OHCSD are accounted for in the Enterprise Funds.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. OHCSD utilizes two enterprise funds which are differentiated primarily by the type of bond financing employed to support their respective programs:

(1) The Elderly and Disabled Housing Fund accounts for programs that are supported by State of Oregon General Obligation Bonds. Bond proceeds are used to finance elderly housing and residential facilities for elderly households, disabled persons, and their family members. OHCSD is responsible for the administration of this program.

(2) The Housing Finance Fund accounts for programs that are supported by revenue bond financing, including the Multifamily Housing and Single-Family Mortgage Programs. Revenue bond proceeds are used to finance home ownership and multi-family units for lower and moderate income persons. Also part of the Housing Finance Fund are the Combined Program Account and the Housing Finance Account. The Combined Program Account is maintained to act as a reserve against possible deficiencies that may arise in the payment of debt service or related expenses of the Single-Family Mortgage Program. General and administrative costs of these programs are accounted for in the Housing Finance Account. In addition, fees or other monies received by OHCSD in carrying out the responsibilities outlined under Oregon Revised Statutes 456.548 to 456.725 are also included in the Housing Finance Account.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the flow of economic resources measurement focus and are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time related liabilities are incurred. All assets and liabilities associated with the operations of these funds are included on the Statement of Net Position. Assets and liabilities are segregated between current and non-current. Net Position is segregated into Net Investment in Capital Assets, Restricted, and Unrestricted. The Proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. This statement segregates operating revenue, operating expenses, non-operating revenue and expense, and capital contributions and transfers.

D. Budgets

The Oregon Legislature approves budgets for a biennial period. Operating expenses are subject to limitation and bond related expenses are subject to administrative limitation. Both types of limitation lapse at the end of the biennium. Budgets are adopted on a basis which differs from generally accepted accounting principles and financial reporting standards in the treatment of bond proceeds and loan purchases. For budgetary purposes, these transactions are treated on a cash basis and other operating revenues and expenses are on an accrual basis.

E. Cash Equivalents

For purposes of the Statement of Cash Flows, all OHCSD moneys held in the State Treasury Oregon Short-Term Fund and moneys held in money market mutual funds are considered to be cash equivalents. The money market mutual funds do not have a floating net asset value (NAV). OHCSD records investments with original maturities of three months or less as investments, not cash equivalents.

F. Investments

OHCSD’s investments are stated at fair value. Investment fair value is determined using quoted market prices or quoted market prices for similar investments.

G. Receivables

Receivables included are amounts due that represent revenues earned or accrued in the current period. Types included in this classification relate to interest, mortgage loans receivable, and other miscellaneous receivables. If the last day or days of the fiscal year are on a weekend and an investment matures that weekend, an accounts receivable in the amount of the matured investment is included in the Statement of Net Position.

H. Short-term Interfund Receivable/Payable and Due from/to Governmental Funds

During the course of operations, transactions occur between individual funds for various reasons. Receivable and payable transactions between OHCSD’s enterprise funds are classified as "Interfund Receivable" and "Interfund Payable" on the Statement of Net Position. Receivables and payables between OHCSD’s enterprise funds and OHCSD’s governmental funds are classified as “Due from Governmental Funds” and “Due to Governmental Funds” on the Statement of Net Position.

I. Acquired Property

Acquired properties resulting from mortgage foreclosures are stated at the cost. Cost is defined as the outstanding balance of the mortgage loan, plus major repairs, less any mortgage insurance payments received. Costs relating to the acquisition of such properties are charged to expense as they are incurred.

J. Capital Assets

Capital assets are reported at historical cost or estimated historical cost if the original cost is not determinable. Donated capital assets are reported at their estimated fair market value at the time received. Capital assets costing less than $5,000 or having a useful life of less than one year are not capitalized.

Depreciation or amortization of capital assets is charged as an expense against operations over the estimated useful life using the straight-line method of depreciation. The estimated useful life of OHCSD's capital assets is from three to ten years.

K. Rebatable Arbitrage

Internal Revenue Code (IRC) Section 148(f) requires issuers of tax-exempt bonds to rebate investment income earned from bond proceeds that exceeds limits established for each bond issue. These limits are based on the bond yield as calculated for federal tax purposes for each bond issue and are subject to certain exceptions. Arbitrage rebate payments are due not later than 60 days after the end of the fifth anniversary of each bond issue (or other date in compliance with IRC Section 148(f)) and every five years thereafter in an amount at least equal to 90% of the calculated arbitrage liability. Final arbitrage rebate payments are due not later than 60 days after the final retirement of all bonds in an issue in an amount equal to 100% of the calculated arbitrage liability. OHCSD records rebatable arbitrage as a reduction of investment revenue.

L. Compensated Absences

Employees accumulate earned but unused vacation and sick leave benefits. Accumulated vacation leave (compensated absences) is recorded as an expense and a liability as the benefits accrue to the employees. Employees are not paid for unused sick leave benefits when leaving State service, so no liability is recorded for accumulated sick leave benefits.

M. Bond Discounts and Premiums

Bond discount or premium arising from the sale of serial or term bonds is charged or credited to interest expense over the life of the related bond issue using the bonds-outstanding method of amortization. The removal of unamortized bond discount or bond premium for bonds that are called is recorded in Gain (Loss) on Debt Extinguishment on the Statement of Revenues, Expenses, and Changes in Fund Net Position. Bond discounts and premiums are included in Bonds Payable on the Statement of Net Position.

N. Deferred Debt Refundings

Deferred debt refunding gains or losses are amortized over the shorter of the life of the new debt or the remaining life of the old debt using the bonds-outstanding method of amortization. The bonds-outstanding method of amortization most closely approximates the effective-interest method. The removal of unamortized deferred debt refunding gains or losses for bonds that are called is recorded in Gain (Loss) on Debt Extinguishment on the Statement of Revenues, Expenses, and Changes in Fund Net Position. Loss on Debt Refundings is shown as a Deferred Outflow of Resources and Gain on Debt Refundings is shown as a Deferred Inflow of Resources on the Statement of Net Position.

O. Deferred Loan Origination Fees

Loan origination fees related to points are deferred and recognized as an adjustment to interest revenue over the life of the loan. Deferred loan origination fees are amortized using the interest method and are shown as a Deferred Inflow of Resources and on the Statement of Net Position.

P. Restricted Assets

The use of all cash, cash equivalents, and investments of the Enterprise Fund are generally restricted as to purpose and use by the Bond Declarations and Indentures of Trust. The bond program funds are restricted for acquisition of loans, payment of debt service, and payment of operating costs. Individual reserve accounts have been established to meet certain requirements and the balances of these accounts as of June 30, 2023 were sufficient to meet all legal requirements. When both restricted and unrestricted resources are available to use, it is OHCSD's policy to use restricted resources before using unrestricted resources.

Q. Operating Revenues and Expenses

Operating revenues include interest and fees on program loans as well as earnings on cash and investments related to OHCSD's loan programs. Since the principal activity of OHCSD's Enterprise Funds is lending and bond proceeds that have not yet been loaned and required bond reserves are invested, investment income is reported as operating revenue. Administrative expenses, depreciation and amortization of capital assets, and bond program related expenses are considered operating expenses. Nonoperating revenues and expenses include any gain or loss on the disposition of capital assets, leased asset interest expense, and pension-related debt interest payments.

NOTE 2. Cash and Cash Equivalents, Investments, and Securities Lending

Deposits

On June 30, 2023, the book balance of cash and cash equivalents was $292,763,863 and the bank balance was $292,666,088. Monies held in demand accounts with the State Treasurer and amounts in the Oregon Short-Term Fund totaled $114,790,444. Additional information about the Oregon Short-Term Fund can be found at www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx.

The June 30, 2023 bank balance includes $176,388,178 in money market mutual funds held at OHCSD's trustee. OHCSD considers money market mutual funds to be cash equivalents, not investments, and includes them in Cash and Cash Equivalents – Restricted on the Statement of Net Position. Information about OHCSD's money market mutual funds is included in the Investments section of this note.

A total of $1,487,466 is held in money market deposit accounts by OHCSD's Bond Trustee as agent. These deposits are insured by FDIC up to $250,000. Anything above $250,000 is uninsured and uncollateralized. The uninsured and uncollateralized deposits are subject to custodial credit risk. Custodial credit risk is the risk that, in the event of a bank failure, deposits may not be returned.

OHCSD does not have a deposit policy.

Investments

OHCSD's Bond Indentures of Trust and investment policy authorize OHCSD to invest in the following types of investments: insured or registered securities explicitly or implicitly guaranteed by the U.S. Government; variable rate demand obligations of state agencies and Housing Finance Authorities outside of Oregon; and, investment agreements, collateralized or uncollateralized, with institutions that are rated by nationally recognized rating agencies and rated at least equal to the initial rating on the bonds.

Investments with OHCSD's Trustee consisted of $14,880,109 in U.S. Treasury securities, $52,322,630 in U.S. Agency securities, and $176,388,178 in money market mutual funds. The investments are held by OHCSD's Bond Trustee in OHCSD's name.

Investments with the State Treasurer consisted of $828,691 in U.S. Treasury Securities and $451,045 in U.S. Agency securities. OHCSD's investments with the State Treasurer are held with the State Treasurer's agent in the name of the State of Oregon and segregated in the Treasurer's records in OHCSD's name.

Fair value is categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of an investment. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. OHCSD's money market mutual funds are Level 1 and all other investments are Level 2.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. OHCSD's investment policy specifies that, in order to mitigate interest rate risk, the investment portfolio shall be structured so that securities mature to meet cash requirements, limiting the need to sell securities on the open market before maturity. As of June 30, 2023, OHCSD had the following investments and maturities:

	Credit Rating			Investment Maturities (in Years)			
Investment Type	Moody's	Standard & Poor's	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Treasury Securities	Exempt from Disclosure		$ 15,708,800	$ 9,404,762	$ 5,475,346	$ -	$ 828,692
U.S. Agency Securities	Aaa	AA+	36,282,530	-	8,662,674	9,114,004	18,505,852
U.S. Agency Securities	Not Rated	Not Rated	16,491,145	16,491,145	-	-	-
Investment Derivative Instruments	Not Rated	Not Rated	90,161	-	-	-	90,161
Subtotal			68,572,636	$ 25,895,907	$14,138,020	$ 9,114,004	$19,424,705
Money Market Mutual Funds **	Aaa-mf	AAAm	176,388,178				
Total			$ 244,960,814				

** Included in Cash and Cash Equivalents - Restricted on the Statement of Net Position

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. According to OHCSD's investment policy, to mitigate credit risk, funds shall be invested in U.S. Treasury securities, securities backed by the U.S. Government, or variable rate demand obligations of state agencies and Housing Finance Authorities outside of Oregon.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. On June 30, 2023, 38.48% of OHCSD's total investments are Federal Home Loan Bank securities, 22.94% are U.S. Treasury securities, 15.97% are Federal National Mortgage Association (Fannie Mae) securities, 10.73% are Tennessee Valley Authority securities, and 10.28% are Federal Farm Credit Bank securities.

Securities Lending

In accordance with State of Oregon investment policies, state agencies may participate in securities lending. OHCSD is involved in securities lending only with cash balances invested in the Oregon Short-Term Fund (OSTF). As of June 30, 2023, amounts allocated to OHCSD's Enterprise Funds are as follows:

	Fair Value
Securites on loan	$ 652,953
Securites lending cash and noncash collateral	$ 666,212
Investments purchased with cash collateral	$ 47,492

Securities on loan from the OSTF included U.S. Treasury securities (12.44%), U.S. Agency securities (80.44%), and domestic fixed income securities (7.12%). Additional information about the Oregon Short-Term Fund and securities lending can be found in the Oregon Short-Term Fund financial statements at www.oregon.gov/treasury/public-financial-services/oregon-short-term-funds/Pages/default.aspx.

NOTE 3. Loans Receivable

Loans receivable on June 30, 2023 consisted of:

	Loans Receivable
Elderly and Disabled Housing Fund	$ 38,852,722
Housing Finance Fund:	
Mortgage Revenue Bonds	839,917,165
Multifamily Housing Revenue Bonds	26,552,175
Housing Finance Account	1,237,495
Total Housing Finance Fund	867,706,835
Total	$ 906,559,557

The Elderly and Disabled Housing Program provides interim and permanent mortgage financing for the construction, acquisition, or rehabilitation of structures or facilities which serve elderly or disabled persons and their families.

Mortgage Revenue Bonds provide financing for single-family homes for at or below median income home buyers. Loans are collateralized by first lien mortgages on the applicable real estate. Of the total mortgage principal balance outstanding on June 30, 2023, 57.98% is federally insured or guaranteed, 0.21% is covered by pool insurance and/or private mortgage insurance, and 41.81% is uninsured. Based on prior experience, OHCSD does not anticipate any material loss in the collection of mortgage loans receivable or in the disposition of acquired properties.

Multifamily Housing Revenue Bonds provide interim and permanent mortgage financing for the construction, acquisition, or rehabilitation of multi-family housing developments within the State that primarily contain housing units for persons or families of lower and moderate income.

Loans in the Housing Finance Account provide financing for the construction, acquisition and/or rehabilitation of affordable housing.

NOTE 4. Capital Assets

A summary of OHCSD's capital assets on June 30, 2023 is presented in the table below. OHCSD has no outstanding debt related to capital assets.

	Elderly and Disabled Housing Fund				Housing Finance Fund			
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets:								
Equipment	$ 1,494	$ -	$ -	$ 1,494	$ 3,905	$ -	$ -	$ 3,905
Software	26,370	-	-	26,370	151,416	-	-	151,416
Total Capital Assets	27,864	-	-	27,864	155,321	-	-	155,321
Less Accumulated Depreciation/Amortization:								
Equipment	(747)	(149)	-	(896)	(1,954)	(390)	-	(2,344)
Software	(26,370)	-	-	(26,370)	(149,348)	(1,450)	-	(150,798)
Total Accumulated Depr/Amort	(27,117)	(149)	-	(27,266)	(151,302)	(1,840)	-	(153,142)
Capital Assets, Net	$ 747	$ (149)	$ -	$ 598	$ 4,019	$ (1,840)	$ -	$ 2,179

NOTE 5. Leases

OHCS has entered into lease agreements for office equipment. Equal monthly payments to the lessor are to be made for the life of the lease agreements.

The following table summarizes, as of June 30, 2023, the amounts needed to pay future lease principal and interest payments for each fiscal year.

Fiscal Year Ending June 30	Principal	Interest	Total
2024	$ 2,022	$ 7	$ 2,029
Total	$ 2,022	$ 7	$ 2,029

A summary of OHCSD's leased assets on June 30, 2023 is presented in the table below.

	Elderly and Disabled Housing Fund				Housing Finance Fund			
	Beginning Balance	Increases	Decreases	Ending Balance	Beginning Balance	Increases	Decreases	Ending Balance
Leased Assets:								
Leased Equipment	$ 4,688	$ -	$ -	$ 4,688	$ 22,562	$ -	$ -	$ 22,562
Less Accumulated Amortization:								
Leased Equipment	(3,160)	(1,184)	-	(4,344)	(15,222)	(5,701)	-	(20,923)
Leased Assets, Net	$ 1,528	$ (1,184)	$ -	$ 344	$ 7,340	$ (5,701)	$ -	$ 1,639

NOTE 6. Transfers and Interfund Balances

In fiscal year 2023, $10,000,000 was transferred to the Housing Finance Account from OHCSD's general fund. The funds are for a new down payment assistance loan program. The program will begin in fiscal year 2024.

The following schedule summarizes interfund receivables and payables for the year ended June 30, 2023:

	Interfund Receivable	Interfund Payable
Elderly and Disabled Housing Fund	$ -	$ 47,806
Housing Finance Fund	47,806	-
Total	$ 47,806	$ 47,806

Balances between funds are the result of timing differences related to the reallocation of expenses.

NOTE 7. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bond Principal	$ 880,640,000	$ 112,025,000	$ 38,885,000	$ 953,780,000	$ 67,950,000
Bond Principal (Direct Placements)	5,195,000	-	190,000	5,005,000	200,000
Bond Premium	18,297,533	1,993,169	2,133,904	18,156,798	
Bond Discount	(17,893)	-	(1,504)	(16,389)	
Bonds Payable	904,114,640	114,018,169	41,207,400	976,925,409	
Compensated Absences Payable	135,646	449,317	-	584,963	374,376
Lease Obligations	8,926	-	6,904	2,022	2,022
Arbitrage Rebate Liability	-	117,931	-	117,931	82,296
Pension-related Debt Payable	315,405	-	68,205	247,200	48,605
Net Pension Liability	4,102,944	6,283,418	2,043,149	8,343,213	-
Total OPEB Liability	120,295	14,451	26,010	108,736	-
Total Long Term Liabilities	$ 908,797,856	$ 120,883,286	$ 43,351,668	$ 986,329,474	$ 68,657,299

NOTE 8. Pension-Related Debt

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the State and community colleges were pooled together in the State and Community College Pool (SCCP), while local government employers participated in the Local Government Rate Pool (LGRP). These two pools were combined to form the SLGRP effective January 1, 2002. The unfunded actuarial liability attributable to the SCCP at the time the SLGRP was formed is maintained separately from the SLGRP and is reduced by contributions and increased for interest charges at the assumed interest rate. The pre-SLGRP liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the State is being amortized over the period ending December 31, 2027.

The following table summarizes the amounts necessary to pay OHCSD's share of future pension-related debt principal and interest requirements as of June 30, 2023 for each fiscal year during the next five years. The final principal and interest payment will be made in fiscal year 2028.

Fiscal Year Ending June 30	Principal	Interest	Total
2024	$ 48,605	$ 16,232	$ 64,837
2025	52,016	12,821	64,837
2026	55,667	9,170	64,837
2027	59,574	5,263	64,837
2028	31,338	1,081	32,419
Total	$ 247,200	$ 44,567	$ 291,767

NOTE 9. Long-Term Debt

The following table summarizes outstanding bonds by program and series as of June 30, 2023:

General Obligation Bonds

Elderly and Disabled Housing Fund

Original Issue					Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
1993 C	1994-2026	2.850	5.650%	$ 13,915,000	$ 1,070,000	$ -	$ 215,000	$ 855,000	$ 220,000
1994 B	1996-2026	4.200	6.300%	24,400,000	5,000	-	-	5,000	-
1995 A	1996-2026	4.000	6.000%	14,100,000	10,000	-	-	10,000	-
1995 B	1997-2027	4.000	5.700%	24,240,000	1,090,000	-	160,000	930,000	175,000
1997 A	1999-2028	4.050	5.375%	8,475,000	5,000	-	-	5,000	-
1998 B	2001-2030	3.550	4.875%	10,285,000	5,000	-	-	5,000	-
1999 B	2000-2031	3.350	5.250%	4,485,000	5,000	-	-	5,000	-
1999 E	2001-2031	5.000	6.250%	19,105,000	10,000	-	-	10,000	-
2001 C	2002-2032	2.700	5.300%	25,325,000	5,000	-	-	5,000	-
2002 A	2003-2022	1.400	4.650%	10,840,000	205,000	-	205,000	-	-
2002 B	2003-2024	1.400	4.700%	37,905,000	10,000	-	-	10,000	-
2002 C	2003-2043	1.600	5.050%	13,595,000	1,080,000	-	90,000	990,000	-
2007 A	2008-2048	3.650	4.750%	26,300,000	18,145,000	-	905,000	17,240,000	650,000
Subtotal					21,645,000	-	1,575,000	20,070,000	1,045,000
Direct Placements									
2003 C	2013-2034	4.350	5.100%	2,930,000	5,000	-	-	5,000	-
Subtotal					5,000	-	-	5,000	-
Total General Obligation Bonds					$ 21,650,000	$ -	$ 1,575,000	$ 20,075,000	$ 1,045,000

Revenue Bonds

Mortgage Revenue Bonds

Original Issue					Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2013 A	2020-2043	2.200	4.050%	$ 21,885,000	$ 7,870,000	$ -	$ 1,510,000	$ 6,360,000	$ 830,000
2013 B	2014-2034	0.450	5.000%	29,095,000	1,210,000	-	590,000	620,000	560,000
2013 C	2014-2033	0.350	3.564%	61,300,000	3,040,000	-	885,000	2,155,000	945,000
2013 D	2018-2043	1.650	4.200%	33,225,000	5,780,000	-	1,095,000	4,685,000	1,425,000
2013 F	2033	3.900	3.900%	8,335,000	4,445,000	-	-	4,445,000	-
2014 A	2019-2044	1.550	4.000%	57,710,000	20,210,000	-	1,550,000	18,660,000	2,455,000
2014 B	2015-2044	0.300	4.000%	29,960,000	1,865,000	-	455,000	1,410,000	615,000
2014 C	2015-2044	0.200	3.750%	30,900,000	10,500,000	-	770,000	9,730,000	990,000
2015 A	2019-2036	1.500	3.500%	79,195,000	9,890,000	-	2,225,000	7,665,000	2,135,000
2015 C	2045	***		33,600,000	33,600,000	-	-	33,600,000	-
2016 A	2017-2047	0.550	4.000%	56,275,000	8,755,000	-	1,675,000	7,080,000	1,600,000
2016 B	2033	***		13,140,000	13,140,000	-	-	13,140,000	-
2016 C	2037	***		15,000,000	15,000,000	-	-	15,000,000	-
2017 A	2018-2047	0.940	4.000%	81,510,000	18,720,000	-	2,735,000	15,985,000	2,630,000
2017 C	2039	***		44,000,000	41,605,000	-	-	41,605,000	-

Continued on the next page

Mortgage Revenue Bonds

Contimued from the previous page

Original Issue					Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2017 D	2022-2048	1.400	3.500%	87,390,000	42,610,000	-	2,530,000	40,080,000	3,295,000
2017 E	2018-2040	0.950	3.500%	22,775,000	5,010,000	-	700,000	4,310,000	675,000
2017 F	2042-2048	3.650	3.750%	11,440,000	6,450,000	-	-	6,450,000	-
2017 G	2018-2040	1.400	4.000%	43,730,000	17,395,000	-	1,595,000	15,800,000	1,090,000
2017 H	2023-2028	2.100	2.800%	16,105,000	16,105,000	-	1,285,000	14,820,000	2,565,000
2018 A	2019-2049	1.750	4.500%	62,590,000	29,950,000	-	700,000	29,250,000	3,350,000
2018 B	2035-2043	2.900	2.900%	30,000,000	16,080,000	-	-	16,080,000	-
2018 C	2020-2049	1.600	4.500%	87,420,000	42,610,000	-	550,000	42,060,000	3,150,000
2018 D	2020-2050	1.900	4.750%	82,885,000	45,375,000	-	3,825,000	41,550,000	4,505,000
2018 E	2043	***		41,000,000	41,000,000	-	-	41,000,000	-
2019 A	2020-2050	1.050	4.000%	99,000,000	83,120,000	-	3,410,000	79,710,000	4,555,000
2020 A	2021-2051	0.300	3.500%	47,905,000	35,580,000	-	2,320,000	33,260,000	3,670,000
2020 B	2037	***		24,500,000	24,500,000	-	-	24,500,000	-
2020 C	2021-2052	0.200	3.000%	60,000,000	57,320,000	-	1,650,000	55,670,000	2,950,000
2021 A	2022-2052	0.070	3.000%	99,000,000	97,965,000	-	1,185,000	96,780,000	3,840,000
2022 A	2025-2051	2.250	4.000%	77,900,000	77,900,000	-	685,000	77,215,000	815,000
2022 B	2023-2026	2.650	3.400%	7,000,000	7,000,000	-	-	7,000,000	2,000,000
2022 C	2024-2053	4.592	5.661%	24,810,000	-	24,810,000	-	24,810,000	415,000
2022 D	2047	***		21,000,000	-	21,000,000	-	21,000,000	-
2022 E	2023	3.625	3.625%	15,000,000	-	15,000,000	-	15,000,000	15,000,000
2023 A	2024-2053	2.800	5.500%	40,005,000	-	40,005,000	-	40,005,000	415,000
2023 B	2025-2036	4.819	5.482%	11,210,000	-	11,210,000	-	11,210,000	-
Total Mortgage Revenue Bonds					$ 841,600,000	$ 112,025,000	$ 33,925,000	$ 919,700,000	$ 66,475,000

*** Interest rates are adjusted weekly based on the weekly rate determined by the Remarketing Agent, not to exceed 12.00%. The interest rate at the end of the fiscal year was 3.95% for 2015 C and 2017 C; 3.97% for 2016 B; 4.04% for 2016 C; 4.08% for 2018 E and 2020 B; and 5.10% for 2022 D.

Multifamily Housing Revenue Bonds

Original Issue					Bonds Outstanding				
Series	Due Dates	Interest Range		Amount	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
2005 A	2007-2047	3.050	5.000%	9,855,000	$ 3,275,000	$ -	$ 2,970,000	$ 305,000	$ 10,000
2010 A	2011-2042	0.900	5.150%	77,705,000	3,235,000	-	140,000	3,095,000	145,000
2010 B	2013-2052	0.950	4.875%	16,425,000	8,340,000	-	135,000	8,205,000	135,000
2012 A	2013-2032	0.300	3.250%	1,425,000	850,000	-	70,000	780,000	70,000
2012 B	2013-2043	0.550	4.125%	35,335,000	1,695,000	-	70,000	1,625,000	70,000
Subtotal					17,395,000	-	3,385,000	14,010,000	430,000
Direct Placements									
2004 A	2014-2045	4.300	5.100%	5,120,000	3,780,000	-	80,000	3,700,000	90,000
2006 A	2036	4.620	4.620%	5,680,000	1,410,000	-	110,000	1,300,000	110,000
Subtotal					5,190,000	-	190,000	5,000,000	200,000
Total Multifamily Housing Revenue Bonds					$ 22,585,000	$ -	$ 3,575,000	$ 19,010,000	$ 630,000
Total Revenue Bonds					$ 864,185,000	$ 112,025,000	$ 37,500,000	$ 938,710,000	$ 67,105,000
Total General Obligation and Revenue Bonds					$ 885,835,000	$ 112,025,000	$ 39,075,000	$ 958,785,000	$ 68,150,000

Bonds Payable:

Bonds payable are presented on the Statement of Net Position at their carrying value. The carrying value is the outstanding bond principal plus unamortized bond premium less unamortized bond discount. Bonds payable balances on June 30, 2023 are summarized below:

	Principal	Principal (Direct Placements)	Premium	Discount	Bonds Payable
General Obligation Bonds:					
Elderly and Disabled Housing Fund	$ 20,070,000	$ 5,000	$ -	$ (1,902)	$ 20,073,098
Revenue Bonds (Housing Finance Fund):					
Mortgage Revenue Bonds	919,700,000	-	18,156,798	-	937,856,798
Multifamily Housing Revenue Bonds	14,010,000	5,000,000	-	(14,487)	18,995,513
Total Revenue Bonds	933,710,000	5,000,000	18,156,798	(14,487)	956,852,311
Total General Obligation and Revenue Bonds	$ 953,780,000	$ 5,005,000	$ 18,156,798	$ (16,389)	$ 976,925,409

Debt Service Requirements to Maturity:

The following table summarizes the amounts necessary to pay all future bonded debt principal and interest requirements as of June 30, 2023 for each fiscal year during the next five year period ending June 30, 2028 and in five year increments thereafter.

Fiscal	Bonds				
Year Ending			Direct Placements		
June 30	Principal	Interest	Principal	Interest	Total
General Obligation Bonds					
2024	$ 1,045,000	$ 934,453	$ -	$ 255	$ 1,979,708
2025	1,105,000	881,471	-	255	1,986,726
2026	1,155,000	825,779	-	255	1,981,034
2027	1,160,000	768,901	-	255	1,929,156
2028	995,000	716,985	-	255	1,712,240
2029-2033	4,690,000	2,954,323	-	1,275	7,645,598
2034-2038	6,055,000	1,725,878	5,000	382	7,786,260
2039-2043	2,885,000	468,916	-	-	3,353,916
2044-2048	980,000	129,371	-	-	1,109,371
Subtotal	$ 20,070,000	$ 9,406,077	$ 5,000	$ 2,932	$ 29,484,009
Revenue Bonds					
2024	$ 66,905,000	$ 30,176,385	$ 200,000	$ 244,826	$ 97,526,211
2025	28,665,000	30,501,520	205,000	235,379	59,606,899
2026	30,110,000	29,793,493	220,000	225,359	60,348,852
2027	29,945,000	28,999,405	290,000	214,122	59,448,527
2028	29,600,000	28,194,592	305,000	200,084	58,299,676
2029-2033	161,880,000	126,465,988	1,020,000	824,548	290,190,536
2034-2038	177,955,000	97,461,428	1,045,000	579,570	277,040,998
2039-2043	170,875,000	65,619,732	1,075,000	319,005	237,888,737
2044-2048	149,110,000	35,288,879	640,000	49,852	185,088,731
2049-2053	87,435,000	8,154,936	-	-	95,589,936
2054	1,230,000	33,828	-	-	1,263,828
Subtotal	$ 933,710,000	$ 480,690,186	$ 5,000,000	$ 2,892,745	$ 1,422,292,931
Total	$ 953,780,000	$ 490,096,263	$ 5,005,000	$ 2,895,677	$ 1,451,776,940

The interest stated above includes coupon interest OHCSD expects to pay over the life of the bonds outstanding. Coupon interest for revenue bonds is paid semiannually on January 1 and July 1. Coupon interest for general obligation bonds is paid February 1 and August 1.

The Mortgage Revenue Bond indenture identifies the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCSD defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 90 days after written notice for remedy has been provided to OHCSD by the Trustee. The Trustee may give such notice at their discretion or at the written request of the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for Mortgage Revenue Bonds the Trustee may, or upon the written direction of the owners of not less than 51% of the bonds outstanding the Trustee shall, declare via written notice to OHCSD that any principal and interest related to that bond is due and payable immediately.

The Multifamily Housing Revenue Bond indenture identifies the following events that would lead to a default; payment of principal is not made when due, payment of interest is not made when due, or OHCSD defaults in the performance of any other covenants or agreements included in the bond or indenture and such default continues for 60 days after written notice for remedy has been provided to OHCSD by the Trustee, or written notice provided to OHCSD and the Trustee by the owners of not less than 25% in aggregate of the principal amount of the outstanding bonds.

If a default does occur for Multifamily Housing Revenue Bond the Trustee may, or upon the written direction of the owners of not less than 25% of the bonds outstanding the Trustee shall, proceed, in its own name, to protect and enforce the rights of the bond owners. Protecting and enforcing the rights of the bond owners could include declaring all outstanding bonds due and payable.

As of June 30, 2023, various statutory or constitutional provisions limited the amount of bonds outstanding to $2,500,000,000 in revenue bonds and $4,823,464,807 in general obligation bonds.

Demand Bonds

Included in OHCSD’s long-term debt is $189,845,000 in variable rate demand bonds. OHCSD’s variable rate demand bonds are remarketed weekly by a remarketing agent. Bondholders may elect to tender their bonds by providing written notice to the remarketing agent as specified in the Official Statement for the series. On the date that bonds are tendered, the remarketing agent will use its best effort to sell the bonds or may purchase the bonds for its own account.

OHCSD has entered into standby bond purchase agreements with State Street Bank and Trust Company and U.S. Bancorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association and a standby letter of credit and reimbursement agreement with Sumitomo Mitsui Banking Corporation (the “liquidity facilities”) to provide liquidity in the event that the remarketing agent is unable to sell the tendered bonds and does not choose to buy the bonds for its own account. The liquidity facilities require the liquidity provider to provide funds for the purchase of the tendered bonds. On the purchase date the bonds become known as liquidity provider bonds or bank bonds and bear interest at the bank rate in accordance with the relevant liquidity facility. The maximum rate for the liquidity facilities is 12%. The bonds remain bank bonds until they are sold by the remarketing agent or the remarketing agent purchases them for its own account. If the bonds are not remarketed or purchased by the remarketing agent for its own account, mandatory redemption installments are to be paid commencing on the first business day of the eighteenth full month following the date the bonds became liquidity provider bonds in an amount equal to three-tenths of the initial amount of the liquidity provider bonds outstanding, with seven semiannual installments due thereafter in an amount equal to one-tenth of the initial amount of liquidity provider bonds outstanding. There were no bank bonds on June 30, 2023.

Certain terms of the liquidity facilities and remarketing agreements are listed in the following table:

Series	Outstanding Amount	Liquidity Provider	Expiration Date	Commitment Fee	Remarketing Agent	Remarketing Fee
MRB* 2015 C	$ 33,600,000	Sumitomo Mitsui Banking Corporation	01/27/2025	0.2700%	J.P. Morgan Securities LLC	0.07%
MRB 2016 B	13,140,000	State Street Bank and Trust Company	01/27/2025	0.3000%	Bank of America Securites, Inc.	0.07%
MRB 2016 C	15,000,000	State Street Bank and Trust Company	01/27/2025	0.3000%	Bank of America Securites, Inc.	0.07%
MRB 2017 C	41,605,000	State Street Bank and Trust Company	01/27/2027	0.3300%	J.P. Morgan Securities LLC	0.07%
MRB 2018 E	41,000,000	Sumitomo Mitsui Banking Corporation	01/27/2025	0.2700%	Bank of America Securites, Inc.	0.07%
MRB 2020 B	24,500,000	Sumitomo Mitsui Banking Corporation	01/27/2027	0.3100%	Bank of America Securites, Inc.	0.07%
MRB 2022 D	21,000,000	U.S. Bank National Association	10/27/2027	0.2200%	**	0.07%

* Mortgage Revenue Bonds
** U.S. Bancorp Investments, Inc., together with U.S. Bank Municipal Products Group, a division of U.S. Bank National Association

NOTE 10. Interest Rate Swaps

OHCSD has entered into pay-fixed, receive-variable interest rate swaps to hedge against changes in variable rate interest and to lower borrowing costs compared to fixed-rate bonds. OHCSD had seven swaps at the end of the fiscal year.

The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. This methodology is believed to be consistent with accepted practice in the market for interest rate swaps. The fair value is categorized as Level 2 within the fair value hierarchy described in Note 2.

The fair value of the swaps on June 30, 2023 totaled $16,932,320 and the notional amount totaled $192,240,000. The fair value of hedging derivatives totaled $16,842,159. Hedging derivative instrument swaps with positive fair values are shown on the Statement of Net Position as Swap Fair Value Asset and Accumulated Increase in Fair Value of Hedging Derivatives. During the fiscal year the fair value of hedging derivatives increased by $4,473,249.

A portion of the MRB 2017 C swap was reclassified from hedging derivative instruments to investment derivative instruments when the associated bonds were called. The fair value of the investment derivatives on June 30, 2023 was $90,161 and is included in Investments – Restricted on the Statement of Net Position. During the fiscal year the fair value of investment derivatives increased by $75,026. A total of $83,977 from investment derivative instruments is included in investment income.

The following table lists the terms, fair values, counterparty, and credit ratings of the outstanding swaps as of June 30, 2023.

Series	Notional Amounts	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values	Swap Termination Date	Counterparty	Counterparty Rating **
Hedging Derivative Instruments								
MRB* 2015 C	$ 33,600,000	9/6/2018	2.751%	70.0% of SOFR@ +.130136%	$ 1,764,734	7/1/2045	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2016 B	13,140,000	1/1/2019	1.710%	66.5% of SOFR +.1561292%	870,658	1/1/2033	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2016 C	15,000,000	1/1/2019	2.000%	66.5% of SOFR +.2261292%	1,194,072	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2017 C	41,605,000	7/1/2019	2.407%	70.0% of SOFR +.130136%	1,566,237	7/1/2039	Bank of America, N.A.	Aa1 / A+ / AA
MRB 2018 E	41,000,000	5/4/2019	1.120%	@@	7,698,430	7/1/2043	Bank of America, N.A.	Aa1 / A+ / AA
MRB 2020 B	24,500,000	7/13/2020	0.899%	@@@	3,721,630	7/1/2037	Royal Bank of Canada	Aa1 / AA- / AA-
MRB 2022 D	21,000,000	10/27/2022	4.417%	100% of SOFR + 0.15%	26,398	7/1/2047	Royal Bank of Canada	Aa1 / AA- / AA-
	189,845,000				16,842,159			
Investment Derivative Instruments								
MRB 2017 C	2,395,000	7/1/2019	2.407%	70.0% of SOFR +.130136%	90,161	7/1/2039	Bank of America, N.A.	Aa1 / A+ / AA
	2,395,000				90,161			
	$ 192,240,000				$ 16,932,320			

* Mortgage Revenue Bonds
** Moody's / S&P / Fitch
@ Secured Overnight Financing Rate
@@ USD SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index from the Effective Date weekly to, but excluding, January 1, 2028 and 70% of SOFR + .080136% thereafter.
@@@ USD SIFMA (Securities Industry and Financial Markets Association) Municipal Swap Index from the Effective Date weekly to, but excluding, July 1, 2026 and 70% of SOFR + .080136% thereafter.

The MRB swaps include options giving OHCSD the right to call (cancel) the swaps in whole or in part, depending on the exercise date, semiannually on or after July 1, 2023 (2016 B and 2016 C), January 1, 2025 (2015 C), July 1, 2026 (2017 C and 2020 B), January 1, 2028 (2018 E), and January 1, 2031 (2022 D). These options provide flexibility to manage the prepayments of loans and the related bonds.

Basis Risk Basis risk is the risk that arises when variable interest rates on a derivative instrument and the associated bond are based on different indexes. All variable interest rates on OHCSD’s tax exempt bonds are determined weekly by a Remarketing Agent. OHCSD is exposed to basis risk when the variable rates received, which are based on the SOFR rate or the SIFMA rate, do not offset the variable rates paid on the bonds. As of June 30, 2023, the SOFR rate was 4.01% and the SIFMA rate was 5.06528%. OHCSD’s variable interest rates as of June 30, 2023 can be found in Note 9.

Termination Risk Termination risk is the risk of an unscheduled termination of a swap prior to its planned maturity. OHCSD or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the swap agreement. If any of the swaps are terminated, the associated variable-rate bonds would no longer carry synthetic fixed interest rates and OHCSD would then be exposed to interest rate risk. Also, if any of the swaps had a negative value at termination, OHCSD would be liable to the counterparty for a payment equal to the fair value of the swap.

Rollover Risk Rollover risk is the risk that occurs when the swap termination date does not extend to the maturity date of the associated debt. OHCSD is not exposed to rollover risk because the swap termination dates match the associated bond maturity dates.

Hedging Derivative Instrument Payments and Hedged Debt Using rates as of June 30, 2023, debt service requirements of variable-rate debt with interest rate swaps and net swap payments for each fiscal year during the next five year period ending June 30, 2028 and in five year increments thereafter are as follows:

Fiscal Year Ending June 30	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest	Net Swap Payments	Total
2024	$ -	$ 7,056,591	$ (3,258,330)	$ 3,798,261
2025	3,340,000	7,814,351	(3,960,859)	7,193,492
2026	4,010,000	7,670,100	(3,892,706)	7,787,394
2027	4,120,000	7,510,610	(3,793,514)	7,837,096
2028	4,240,000	7,346,675	(3,616,782)	7,969,893
2029-2033	37,250,000	33,130,744	(16,108,049)	54,272,695
2034-2038	65,490,000	23,190,743	(11,074,812)	77,605,931
2039-2043	51,340,000	10,354,176	(4,785,017)	56,909,159
2044-2048	20,055,000	1,727,020	(785,368)	20,996,652
Total	$ 189,845,000	$ 105,801,010	$ (51,275,437)	$ 244,370,573

Contingencies OHCSD’s swaps include provisions that require collateral to be posted if the rating on the senior bonds issued under the 1988 indenture (Mortgage Revenue Bonds) is not above either Baa1 as determined by Moody’s or BBB+ as determined by Standard and Poor’s. If the bonds are at or below these levels, collateral in the amount of the current swap fair value (rounded to the nearest $10,000) is required to be posted. The minimum transfer amount is $100,000 or $0 if neither rating agency rates the bonds. The total fair value on June 30, 2023 of swaps that include these provisions is $16,932,320. As of June 30, 2023 the bonds subject to these provisions are rated Aa2 by Moody’s and are not rated by Standard & Poor’s.

NOTE 11. Conduit Debt Obligations

OHCSD issues conduit debt to facilitate the building of multifamily affordable housing. Bonds issued under the Housing Development Revenue Bond program are limited obligations of OHCSD payable only out of the trust estate specifically pledged to each bond issue. As of June 30, 2023, the total aggregate amount of Housing Development Revenue Bonds outstanding is $1,260,270,984. No recourse may be taken against any properties, funds, or assets of OHCSD for the payment of any amounts owing with respect to these bonds. Bond owners will have no right to compel the payment of any amount owing with respect to these bonds out of any tax revenues, funds, or other assets of OHCSD or the State of Oregon, other than the security pledged to each bond issue.

NOTE 12. Segment Information

OHCSD issues revenue bonds to finance mortgage loans. Summary financial information for OHCSD's revenue bonds is presented below:

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds
Condensed Statement of Net Position		
Assets:		
Other Current Assets	$ 122,710,772	$ 3,287,888
Noncurrent Assets	946,212,425	52,392,952
Total Assets	1,068,923,197	55,680,840
Deferred Outflows of Resources	340,288	47,500
Liabilities:		
Other Current Liabilities	81,563,871	1,074,474
Noncurrent Liabilities	871,417,433	18,365,513
Total Liabilities	952,981,304	19,439,987
Deferred Inflows of Resources	20,301,563	216,499
Net Position		
Restricted by Trust Indentures	95,980,618	36,071,854
Total Net Position	$ 95,980,618	$ 36,071,854
Condensed Statement of Revenues, Expenses, and Changes in Net Position		
Interest on Loans	$ 29,324,928	$ 1,688,921
Investment Income	4,829,467	662,320
Other Operating Revenues	1,328,765	335
Operating Expenses	(30,552,532)	(1,005,417)
Operating Income (Loss)	4,930,628	1,346,159
Transfers Out	(1,500,000)	-
Increase (Decrease) in Net Position	3,430,628	1,346,159
Beginning Net Postion	92,549,990	34,725,695
Ending Net Position	$ 95,980,618	$ 36,071,854
Condensed Statement of Cash Flows		
Net Cash Provided (Used) by:		
Operating Activities	$ (52,161,368)	$ 6,038,493
Noncapital Financing Activities	54,256,566	(4,581,067)
Investing Activities	99,636,587	19,308,189
Net Increase (Decrease)	101,731,785	20,765,615
Beginning Cash and Cash Equivalents	58,787,629	5,197,497
Ending Cash and Cash Equivalents	$ 160,519,414	$ 25,963,112

NOTE 13. Restricted Assets

Restricted asset account balances are as follows:

Purpose:	Elderly and Disabled Housing Fund	Housing Finance Fund
Loan Acquisition	$ -	$ 44,833,423
Current Debt Service	1,979,708	94,267,880
Future Debt Service	55,353,415	47,914,304
Debt Reserves	5,197,134	26,589,466
Insurance Reserves	-	22,063,149
Combined Program Account	-	19,594,671
Residential Assistance	-	175,200
Total	$ 62,530,257	$ 255,438,093
Statement of Net Position Amounts:		
Restricted Cash and Cash Equivalents – Current	$ 1,979,708	$ 94,311,396
Restricted Cash and Cash Equivalents – Noncurrent	59,270,813	93,833,797
Restricted Investments - Noncurrent	1,279,736	67,292,900
Total	$ 62,530,257	$ 255,438,093

NOTE 14. Employee Retirement Plans

The Oregon Public Employees Retirement System (PERS) provides defined benefit and defined contribution retirement plans for OHCSD employees. PERS is administered by the Public Employees Retirement Board (Board), as required by Chapters 238 and 238A of the Oregon Revised Statutes (ORS). PERS is a cost-sharing multiple-employer defined benefit pension plan. The Tier One/Tier Two Retirement Benefit Plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP), established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. The Individual Account Program (IAP) is a defined contribution plan. Beginning January 1, 2004, all member contributions are deposited into the member’s IAP account. The pension plans provide pension benefits, death benefits and disability benefits.

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The rates in effect for the fiscal year ended June 30, 2023 were 21.03% for Tier One and Tier Two General Service Members and 17.12% for OPSRP Pension Program General Service Members.

The Oregon Public Employees Retirement System annual financial report and Actuarial Valuation is located at www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

At June 30, 2023, the State of Oregon reported a liability of $4.6 billion for its proportionate share of the net pension liability. OHCSD’s allocated amount of the proportionate share of the net pension liability for its enterprise funds was $8,343,213. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The State’s proportion of the net pension liability was based on a projection of the State’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the State’s proportion was 29.83% (the State’s proportion at June 30, 2022 was 27.60%). As part of the State of Oregon, OHCSD’s enterprise funds were allocated 0.18494460% of the State’s proportionate share.

For the year ended June 30, 2023, OHCSD recognized pension expense of $3,867,698. At June 30, 2023, OHCSD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between fund contributions and proportionate share of contributions	$ 892,293	$ 944,055
Difference between expected and actual experience	404,996	52,029
Net difference between projected and actual earnings on investments	-	1,491,605
Change in Assumptions	1,309,095	11,960
Subtotal	2,606,384	2,499,649
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	106,735	
Contributions subsequent to measurement date	1,083,092	
Net Deferred Outflows (Inflows) of Resources	1,189,827	

NOTE 15. Other Postemployment Benefit Plans

OHCSD's employees may be eligible to participate in health insurance plans and other benefit plans after retirement, collectively known as Other Postemployment Benefits (OPEB). OPEB plans are offered through the Public Employees Retirement System (PERS) as established by Oregon Revised Statutes (ORS) 238.410 and the Public Employees Benefit Board (PEBB) as established by ORS 243.302. The Oregon Public Employees Retirement System annual financial report is located at www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

At June 30, 2023, OHCSD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between fund contributions and proportionate share of contributions	$ 10,528	$ 14,806
Difference between expected and actual experience	-	43,137
Net difference between projected and actual earnings on investments	-	15,223
Change in Assumptions	4,931	62,779
Subtotal	15,459	135,945
Net Deferred Outflows (Inflows) of Resources before contributions subsequent to measurement date	(120,486)	
Contributions subsequent to measurement date	13,050	
Net Deferred Outflows (Inflows) of Resources	(107,436)	

Retirement Health Insurance Account plan

The Retirement Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Public Employees Retirement Board. The plan provides a payment of up to $60 toward the monthly cost of health insurance for eligible PERS members. OHCSD is required by statute to contribute actuarially computed amounts as determined by PERS. The rates in effect for the fiscal year ended June 30, 2023 were 0.05% for Tier One and Tier Two General Service Members and zero for OPSRP Pension Program General Service Members.

At June 30, 2023, the State of Oregon reported an asset of $123.8 million for its proportionate share of the net OPEB asset. OHCSD's allocated amount of the proportionate share of the net OPEB asset for its enterprise funds was $154,242. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. The net OPEB asset was measured as of June 30, 2022 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The State's proportion of the net OPEB asset is determined by comparing the State's actual, legally required contributions made during the fiscal year with the total actual contributions made in the fiscal year of all employers. At June 30, 2022, the State's proportion was 34.85% (the State's proportion at June 30, 2021 was 40.18%). As part of the State of Oregon, OHCSD's enterprise funds were allocated 0.12737794% of the State's proportionate share. For the year ended June 30, 2023, OHCSD recognized OPEB income of $47,803 for RHIA.

Retiree Health Insurance Premium Account plan

The Retiree Health Insurance Premium Account (RHIPA) is a single-employer OPEB plan administered by the Oregon Public Employees Retirement Board (Board). The plan provides for payment of the average difference between the health insurance premiums paid by retired state employees, under contracts entered into by the Board, and health insurance premiums paid by active state employees. OHCSD is required by statute to contribute actuarially computed amounts as determined by PERS. The rates in effect for the fiscal year ended June 30, 2023 were 0.28% for Tier One and Tier Two General Service Members and 0.17% for OPSRP Pension Program General Service Members.

At June 30, 2023, the State of Oregon reported a net OPEB asset of $34.2 million. The net OPEB asset was measured as of June 30, 2022 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. As part of the State of Oregon, OHCSD's enterprise funds were allocated 0.15544736% of the State's internal allocation, which was based on fiscal year 2022 actual contributions. OHCSD's share of the net OPEB asset for the RHIPA plan on June 30, 2023 for its enterprise funds was $53,204. It is shown on the Statement of Net Position as Net Other Postemployment Benefits Asset. For the year ended June 30, 2023, OHCSD recognized OPEB income of $7,060 for RHIPA.

Public Employees' Benefit Board Plan

The Public Employees' Benefit Board (PEBB) plan is a single-employer plan administered by the Oregon Public Employees' Benefit Board. The PEBB plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. The premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an "implicit" rate subsidy. PEBB does not issue a separate, publicly available financial report.

At June 30, 2023, the State of Oregon reported a total OPEB liability of $105.6 million. As part of the State of Oregon, OHCSD's enterprise funds were allocated 0.10295626% of the State's total. The State's internal allocation of the total OPEB liability is based on fiscal year 2023 health insurance premium costs. OHCSD's share of the total OPEB liability on June 30, 2023 for its enterprise funds was $108,736. It is shown on the Statement of Net Position as Total Other Postemployment Benefits Liability. For the year ended June 30, 2023, OHCSD recognized OPEB expense of $14,451 for the PEBB plan.

NOTE 16. Other Commitments

As of June 30, 2023, OHCSD has made commitments for loans in the Single-Family Mortgage Program totaling $35,656,263.

NOTE 17. Risk Financing

The State or Oregon Department of Administrative Services directs and manages all risk management and insurance programs of state government except for employee benefit insurance programs. The state uses both self-insurance and commercial insurance policies to insure its risk of loss.

For more information about risk financing, see the Risk Financing note in the State of Oregon Annual Comprehensive Financial Report found at www.oregon.gov/DAS/Financial/Acctng/pages/index.aspx.

NOTE 18. Subsequent Events

On July 1, 2023, OHCSD called the following Mortgage Revenue Bonds prior to maturity:

	Amount Called		Amount Called
2013 Series B	$ 560,000	2017 Series G	$ 1,090,000
2013 Series C	840,000	2018 Series A	2,185,000
2013 Series D	670,000	2018 Series C	2,060,000
2014 Series A	615,000	2018 Series D	3,000,000
2014 Series B	615,000	2019 Series A	2,375,000
2014 Series C	510,000	2020 Series A	1,595,000
2015 Series A	2,135,000	2020 Series C	1,305,000
2016 Series A	1,600,000	2021 Series A	1,330,000
2017 Series A	2,630,000	2022 Series A	815,000
2017 Series D	1,620,000	2022 Series C	65,000
2017 Series E	675,000	2022 Series E	15,000,000

On September 28, 2023, OHCSD issued the following Mortgage Revenue Bonds:

	Amount Issued
2023 Series C	$ 127,665,000
2023 Series D	20,000,000

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Supplementary Information

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Combining Statement of Net Position - Housing Finance Fund

June 30, 2023

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Assets and Deferred Outflows of Resources			
Assets			
Current Assets			
Cash and Cash Equivalents	$ -	$ -	$ -
Cash and Cash Equivalents - Restricted	92,812,181	1,499,215	-
Securities Lending Cash Collateral	2,377	1,783	-
Accounts Receivable	-	-	-
Accrued Interest Receivable	4,694,226	145,591	166,868
Interfund Receivable	-	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	24,421,649	1,641,299	-
Acquired Property	780,339	-	-
Total Current Assets	122,710,772	3,287,888	166,868
Noncurrent Assets			
Cash and Cash Equivalents - Restricted	67,707,233	24,463,897	1,487,467
Investments - Restricted	46,167,517	3,018,179	18,107,204
Loans Receivable	815,495,516	24,910,876	-
Swap Fair Value Asset	16,842,159	-	-
Net Other Postemployment Benefits Asset	-	-	-
Capital Assets (Net)	-	-	-
Leased Assets (Net)	-	-	-
Total Noncurrent Assets	946,212,425	52,392,952	19,594,671
Total Assets	1,068,923,197	55,680,840	19,761,539
Deferred Outflows of Resources			
Loss on Debt Refundings	340,288	47,500	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Outflows of Resources	340,288	47,500	-
Total Assets and Deferred Outflows of Resources	$1,069,263,485	$ 55,728,340	$ 19,761,539

Housing Finance Account	Total
$ 42,246,808	$ 42,246,808
-	94,311,396
17,496	21,656
298,680	298,680
20,358	5,027,043
47,806	47,806
302,478	302,478
21,147	21,147
21,656	26,084,604
-	780,339
42,976,429	169,141,957
175,200	93,833,797
-	67,292,900
1,215,839	841,622,231
-	16,842,159
180,264	180,264
2,179	2,179
1,639	1,639
1,575,121	1,019,775,169
44,551,550	1,188,917,126
-	387,788
3,222,279	3,222,279
24,558	24,558
3,246,837	3,634,625
$ 47,798,387	$1,192,551,751

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Combining Statement of Net Position - Housing Finance Fund

June 30, 2023

Continued from the previous page

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Liabilities, Deferred Inflows of Resources, and Net Position			
Liabilities			
Current Liabilities			
Accounts Payable	$ 682,476	$ 218	$ -
Accrued Interest Payable	14,304,333	442,473	-
Obligations Under Securities Lending	2,377	1,783	-
Due to Governmental Funds	-	-	-
Unearned Revenue	17,389	-	-
Compensated Absences Payable	-	-	-
Lease Obligations	-	-	-
Bonds Payable	66,475,000	630,000	-
Arbitrage Rebate Liability	82,296	-	-
Pension-related Debt Payable	-	-	-
Total Current Liabilities	81,563,871	1,074,474	-
Noncurrent Liabilities			
Compensated Absences Payable	-	-	-
Bonds Payable	871,381,798	18,365,513	-
Arbitrage Rebate Liability	35,635	-	-
Pension-related Debt Payable	-	-	-
Net Pension Liability	-	-	-
Total Other Postemployment Benefits Liability	-	-	-
Total Noncurrent Liabilities	871,417,433	18,365,513	-
Total Liabilities	952,981,304	19,439,987	-
Deferred Inflows of Resources			
Accumulated Increase in Fair Value of Hedging Derivatives	16,842,159	-	-
Gain on Debt Refundings	41,467	-	-
Deferred Loan Origination Fees	3,417,937	216,499	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Total Deferred Inflows of Resources	20,301,563	216,499	-
Net Position			
Net Investment in Capital Assets	-	-	-
Restricted for Residential Assistance	-	-	-
Restricted for Other Postemployment Benefits	-	-	-
Restricted by Trust Indentures	95,980,618	36,071,854	19,761,539
Unrestricted	-	-	-
Total Net Position	95,980,618	36,071,854	19,761,539
Total Liabilities, Deferred Inflows of Resources, and Net Position	$1,069,263,485	$ 55,728,340	$ 19,761,539

Housing Finance Account	Total
$ 710,572	$ 1,393,266
-	14,746,806
17,496	21,656
477,517	477,517
413,771	431,160
308,268	308,268
1,671	1,671
-	67,105,000
-	82,296
37,999	37,999
1,967,294	84,605,639
173,401	173,401
-	889,747,311
-	35,635
155,262	155,262
7,318,524	7,318,524
92,601	92,601
7,739,788	897,522,734
9,707,082	982,128,373
-	16,842,159
-	41,467
-	3,634,436
2,192,650	2,192,650
117,265	117,265
2,309,915	22,827,977
2,147	2,147
1,141,817	1,141,817
180,264	180,264
-	151,814,011
34,457,162	34,457,162
35,781,390	187,595,401
$ 47,798,387	$1,192,551,751

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Housing Finance Fund
For the Year Ended June 30, 2023

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Operating Revenues			
Interest on Loans	$ 29,324,928	$ 1,688,921	$ -
Investment Income	4,829,467	662,320	116,451
Administrative Charges and Fees	-	-	-
Low Income Housing Tax Credit Fees	-	-	-
Gain (Loss) on Debt Extinguishment	1,327,661	-	-
Miscellaneous Revenue	1,104	335	25
Total Operating Revenues	35,483,160	2,351,576	116,476
Operating Expenses			
Personal Services	-	-	-
Services and Supplies	258,862	69,308	-
Mortgage Service Fees	2,991,036	5,015	-
Foreclosure Costs	24,621	-	-
Interest Expense - Bonds	24,549,136	930,310	-
Interest Expense - Securities Lending	3,696	784	-
Other Related Program Expenses	2,725,181	-	-
Depreciation/Amortization	-	-	-
Total Operating Expenses	30,552,532	1,005,417	-
Operating Income (Loss)	4,930,628	1,346,159	116,476
Nonoperating Revenues (Expenses)			
Interest Expense - Pension-related Debt	-	-	-
Interest Expense - Leased Assets	-	-	-
Total Nonoperating Revenues (Expenses)	-	-	-
Income (Loss) Before Transfers	4,930,628	1,346,159	116,476
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(1,500,000)	-	-
Transfers to Other State Agencies	-	-	-
Increase (Decrease) in Net Position	3,430,628	1,346,159	116,476
Net Position - Beginning	92,549,990	34,725,695	19,645,063
Net Position - Ending	$ 95,980,618	$ 36,071,854	$ 19,761,539

Housing Finance Account	Total	
$ 16,168	$ 31,030,017	
908,696	6,516,934	
7,978,502	7,978,502	
8,028,128	8,028,128	
-	1,327,661	
193	1,657	
16,931,687	54,882,899	
12,246,790	12,246,790	
3,343,962	3,672,132	
-	2,996,051	
-	24,621	
-	25,479,446	
4,608	9,088	
301,069	3,026,250	
7,541	7,541	
15,903,970	47,461,919	
1,027,717	7,420,980	
(13,528)	(13,528)	
(53)	(53)	
(13,581)	(13,581)	
1,014,136	7,407,399	
11,500,000	11,500,000	**
-	(1,500,000)	**
(315,577)	(315,577)	
12,198,559	17,091,822	
23,582,831	170,503,579	
$ 35,781,390	$ 187,595,401	

** Transfers within the Housing Finance Fund totaling $1,500,000 are not included in the Statement of Revenues, Expenses, and Changes in Fund Net Position on page 8.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Combining Statement of Cash Flows - Housing Finance Fund

For the Year Ended June 30, 2023

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Cash Flows from Operating Activities			
Received from Customers	$ 683,192	$ -	$ -
Program Loan Principal Repayments	60,509,547	4,478,163	-
Program Loan Interest Received	28,191,392	1,644,641	-
Program Loans Made	(136,638,159)	-	-
Payments to Employees for Services	-	-	-
Payments to Suppliers for Goods and Services	(3,244,752)	(84,646)	-
Other Receipts (Payments)	(1,662,588)	335	25
Net Cash Provided (Used) in Operating Activities	(52,161,368)	6,038,493	25
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	114,018,169	-	-
Principal Payments - Bonds	(33,925,000)	(3,575,000)	-
Interest Payments - Bonds	(23,347,412)	(1,006,067)	-
Bond Issuance Costs	(989,191)	-	-
Principal Payments - Pension-related Debt	-	-	-
Interest Payments - Pension-related Debt	-	-	-
Transfers from Other Funds	-	-	-
Transfers to Other Funds	(1,500,000)	-	-
Transfers to Other State Agencies	-	-	-
Net Cash Provided (Used) in Noncapital Financing Activities	54,256,566	(4,581,067)	-
Cash Flows from Capital and Related Financing Activities			
Lease Principal Payments	-	-	-
Lease Interest Payments	-	-	-
Net Cash Provided (Used) in Capital and Related Financing Activities	-	-	-
Cash Flows from Investing Activities			
Purchase of Investments	(117,037,210)	(8,123,963)	(5,531,198)
Proceeds from Sales and Maturities of Investments	213,562,867	27,080,000	5,684,000
Interest on Cash and Investments	3,110,930	352,152	568,708
Investment Income on Securities Lending	3,696	784	-
Interest Paid on Securities Lending	(3,696)	(784)	-
Net Cash Provided (Used) in Investing Activities	99,636,587	19,308,189	721,510
Net Increase (Decrease) in Cash and Cash Equivalents	101,731,785	20,765,615	721,535
Cash and Cash Equivalents Balance - Beginning	58,787,629	5,197,497	765,932
Cash and Cash Equivalents Balance - Ending	$ 160,519,414	$ 25,963,112	$ 1,487,467
Cash and Cash Equivalents	$ -	$ -	$ -
Cash and Cash Equivalents - Restricted (Current)	92,812,181	1,499,215	-
Cash and Cash Equivalents - Restricted (Noncurrent)	67,707,233	24,463,897	1,487,467
Total Cash and Cash Equivalents	$ 160,519,414	$ 25,963,112	$ 1,487,467

Housing Finance Account	Total	
$ 15,922,347	$ 16,605,539	
27,537	65,015,247	
2,681	29,838,714	
-	(136,638,159)	
(9,155,587)	(9,155,587)	
(3,094,765)	(6,424,163)	
(275,456)	(1,937,684)	
3,426,757	(42,696,093)	
-	114,018,169	
-	(37,500,000)	
-	(24,353,479)	
-	(989,191)	
(53,322)	(53,322)	
(13,528)	(13,528)	
11,500,000	11,500,000	**
-	(1,500,000)	**
(335,906)	(335,906)	
11,097,244	60,772,743	
(6,305)	(6,305)	
(61)	(61)	
(6,366)	(6,366)	
-	(130,692,371)	
-	246,326,867	
904,088	4,935,878	
4,608	9,088	
(4,608)	(9,088)	
904,088	120,570,374	
15,421,723	138,640,658	
27,000,285	91,751,343	
$ 42,422,008	$ 230,392,001	
$ 42,246,808	$ 42,246,808	
-	94,311,396	
175,200	93,833,797	
$ 42,422,008	$ 230,392,001	

Continued on the next page

** Transfers within the Housing Finance Fund totaling $1,500,000 are not included in the Statement of Cash Flows on page 10.

Continued from the previous page

	Mortgage Revenue Bonds	Multifamily Housing Revenue Bonds	Combined Program Account
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income (Loss)	$ 4,930,628	$ 1,346,159	$ 116,476
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Capital Asset Depreciation/Amortization	-	-	-
Investment Income Reported as Operating Revenue	(4,829,467)	(662,320)	(116,451)
Interest Expense Reported as Operating Expense	24,552,832	931,094	-
Bond Issuance Costs Reported as Operating Expense	1,041,405	-	-
(Gain) Loss on Debt Extinguishment	(1,327,660)	-	-
(Increase)/Decrease in Assets:			
Loan Interest Receivable	(394,288)	12,443	-
Accounts Receivable	-	-	-
Interfund Receivable	-	-	-
Due from Governmental Funds	-	-	-
Prepaid Expenses	-	-	-
Loans Receivable	(75,746,742)	4,478,163	-
Acquired Property	(780,339)	-	-
Net Other Postemployment Benefit Asset	-	-	-
(Increase)/Decrease in Deferred Outflows of Resources:			
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Increase/(Decrease) in Liabilities:			
Accounts Payable	67,671	(10,323)	-
Interfund Payable	(17,821)	-	-
Due to Governmental Funds	-	-	-
Due to Other Governments	-	-	-
Unearned Revenue	6,579	-	-
Compensated Absences Payable	-	-	-
Net Pension Liability	-	-	-
Total Other Postemployment Benefit Liability	-	-	-
Increase/(Decrease) in Deferred Inflows of Resources:			
Deferred Loan Origination Fees	335,834	(56,723)	-
Related to Pensions	-	-	-
Related to Other Postemployment Benefits	-	-	-
Net Cash Provided (Used) in Operating Activities	$ (52,161,368)	$ 6,038,493	$ 25
Noncash Investing, Capital, and Financing Activities			
Net Change in Fair Value of Investments	$ 1,470,986	$ 267,909	$ (488,273)
Foreclosed Property	780,339	-	-
Loan Modifications	398,469	-	-
Total Noncash Investing, Capital, and Financing Activities	$ 2,649,794	$ 267,909	$ (488,273)

Housing Finance Account	Total	
$ 1,027,717	$ 7,420,980	
7,541	7,541	
(908,696)	(6,516,934)	
4,608	25,488,534	
-	1,041,405	
-	(1,327,660)	
(13,487)	(395,332)	
23,021	23,021	
48,038	48,038	**
270,768	270,768	
(21,147)	(21,147)	
27,537	(71,241,042)	
-	(780,339)	
(46,149)	(46,149)	
(682,276)	(682,276)	
(931)	(931)	
(56,546)	802	
(49,270)	(67,091)	**
335,620	335,620	
(41,180)	(41,180)	
(102,008)	(95,429)	
353,913	353,913	
3,806,186	3,806,186	
(8,515)	(8,515)	
-	279,111	
(549,545)	(549,545)	
1,558	1,558	
$ 3,426,757	$ (42,696,093)	
$ -	$ 1,250,622	
-	780,339	
-	398,469	
$ -	$ 2,429,430	

** Interfund Receivables and Payables within the Housing Finance Fund totaling an increase of $17,821 are not included in the Statement of Cash Flows on page 11.

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Statistical Section

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position

Enterprise Funds

Last Ten Fiscal Years

	2023	2022	2021	2020
Assets				
Cash and Cash Equivalents	$ 43,368,149	$ 27,541,346	$ 19,753,000	$ 13,886,704
Cash and Cash Equivalents - Restricted	249,395,714	123,017,393	120,381,648	154,695,669
Investments - Resticted	68,572,636	182,989,422	254,568,169	223,223,166
Securities Lending Cash Collateral	47,499	580,028	301,531	1,248,701
Accounts Receivable	299,530	321,701	361,983	266,455
Accrued Interest Receivable	5,294,590	3,343,179	3,880,856	4,518,523
Interfund Receivable	47,806	127,293	22,099	12,862
Due from Governmental Funds	302,655	573,246	131,442	391,789
Due from Other State Agencies	-	-	-	88,521
Prepaid Expenses	21,147	-	115	-
Acquired Property	780,339	-	122,985	817,484
Loans Receivable (Net)	906,559,557	839,633,718	855,740,724	982,544,056
Swap Fair Value Asset	16,842,159	12,368,910	2,687,321	-
Net Pension Asset	-	-	-	-
Net Other Postemployment Benefits Asset	207,446	159,246	20,903	72,037
Capital Assets (Net)	2,777	4,766	7,024	10,214
Leased Assets (Net)	1,983	8,868	-	-
Total Assets	1,291,743,987	1,190,669,116	1,257,979,800	1,381,776,181
Deferred Outflows of Resources				
Accumulated Decrease in Fair Value of Hedging Derivatives	-	-	6,386,956	10,726,213
Loss on Debt Refunding	387,788	464,599	674,944	1,107,604
Related to Pensions	3,689,476	2,937,464	2,430,234	1,951,568
Related to Other Postemployment Benefits	28,509	27,513	32,363	18,462
Total Deferred Outflows of Resources	4,105,773	3,429,576	9,524,497	13,803,847
Total Assets and Deferred Outflows of Resources	$ 1,295,849,760	$ 1,194,098,692	$ 1,267,504,297	$ 1,395,580,028

Unaudited

2019	2018	2017	2016	2015	2014
$ 12,630,562	$ 9,388,621	$ 9,915,911	$ 8,730,328	$ 10,077,977	$ 4,060,107
65,370,939	68,372,203	59,447,712	80,466,457	66,585,531	64,782,925
277,597,803	244,508,334	232,640,617	278,624,844	229,912,957	310,056,935
2,101,856	1,191,697	357,168	2,041,190	4,032,437	3,393,772
139,932	29,182,712	409,631	131,122	177,215	189,304
4,133,592	3,924,987	3,729,012	4,209,653	4,618,750	5,443,641
81,079	80,220	16,939	6,780	607	164
114,050	24,797	82,468	23,931	1,795	10,979
-	-	-	-	-	-
4,563	1,140	514	28,996	675	8,655
1,016,875	1,841,751	2,995,957	3,766,377	4,407,890	7,135,654
954,607,414	834,207,159	804,071,640	847,251,131	918,003,978	1,009,415,693
-	1,514,014	899,578	-	-	-
-	-	-	-	558,607	-
31,100	11,451	-	-	-	-
43,223	51,674	59,925	62,637	70,549	22,340
-	-	-	-	-	-
1,317,872,988	1,194,300,760	1,114,627,072	1,225,343,446	1,238,448,968	1,404,520,169
5,221,906	137,728	1,864,021	6,906,793	11,379,103	17,276,495
1,435,973	1,942,159	1,761,830	2,092,930	2,344,757	2,262,264
1,386,060	1,183,656	2,170,765	407,457	206,746	-
40,861	26,968	-	-	-	-
8,084,800	3,290,511	5,796,616	9,407,180	13,930,606	19,538,759
$ 1,325,957,788	$ 1,197,591,271	$ 1,120,423,688	$ 1,234,750,626	$ 1,252,379,574	$ 1,424,058,928

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OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources, and Net Position
Enterprise Funds
Last Ten Fiscal Years

Continued from the previous page

	2023	2022	2021	2020
Liabilities				
Accounts Payable	$ 1,430,947	$ 1,374,030	$ 1,139,884	$ 1,347,392
Accrued Interest Payable	15,143,968	12,064,921	14,575,857	16,540,642
Obligations Under Securities Lending	47,499	580,028	301,531	1,248,701
Interfund Payable	47,806	127,293	22,099	12,862
Due to Governmental Funds	599,404	174,415	24,370	54,126
Due to Other Governments	-	41,180	5,776	-
Unearned Revenue	432,247	527,315	643,867	754,469
Compensated Absences Payable	584,963	135,646	286,347	284,985
Lease Obligations	2,022	8,926	-	-
Bonds Payable	976,925,409	904,114,640	979,686,245	1,107,569,224
Swap Fair Value Liabilty	-	-	6,386,956	10,726,213
Arbitrage Rebate Liability	117,931	-	-	-
Pension-related Debt Payable	247,200	315,405	371,238	421,318
Net Pension Liability	8,343,213	4,102,944	7,030,726	5,804,785
Net Other Postemployment Benefits Liability	-	-	11,590	32,005
Total Other Postemployment Benefits Liability	108,736	120,295	161,281	153,434
Net Other Postemployment Benefits Obligation	-	-	-	-
Total Liabilities	1,004,031,345	923,687,038	1,010,647,767	1,144,950,156
Deferred Inflows of Resources				
Accumulated Increase in Fair Value of Hedging Derivatives	16,842,159	12,368,910	2,687,321	-
Gain on Debt Refunding	41,467	79,652	40,482	-
Deferred Loan Origination Fees	3,894,643	3,657,125	3,801,580	4,445,934
Related to Pensions	2,499,649	3,203,301	159,733	276,737
Related to Other Postemployment Benefits	135,945	136,153	35,963	40,745
Total Deferred Inflows of Resources	23,413,863	19,445,141	6,725,079	4,763,416
Net Position				
Net Investment in Capital Assets	2,738	13,634	7,024	10,214
Restricted for Residential Assistance	1,141,817	1,130,120	1,256,957	1,257,239
Restricted for Other Postemployment Benefits	207,446	159,246	20,903	72,037
Restricted by Trust Indentures	231,592,674	224,461,170	229,688,722	228,197,707
Unrestricted	35,459,877	25,202,343	19,157,845	16,329,259
Total Net Position	268,404,552	250,966,513	250,131,451	245,866,456
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 1,295,849,760	$ 1,194,098,692	$ 1,267,504,297	$ 1,395,580,028

Unaudited

2019	2018	2017	2016	2015	2014
$ 1,292,103	$ 609,703	$ 808,431	$ 626,684	$ 495,218	$ 1,021,618
16,741,051	13,660,865	13,031,173	15,411,597	17,957,672	20,477,454
2,101,856	1,191,697	357,168	2,041,190	4,032,437	3,393,772
81,079	80,220	16,939	6,780	607	164
64,554	53,689	6,959	50,880	101,511	47,284
-	-	-	-	-	-
878,196	998,823	1,130,510	1,265,880	1,402,406	1,539,946
289,020	344,492	271,186	252,162	276,849	296,128
-	-	-	-	-	-
1,053,780,476	943,483,358	869,050,314	979,243,468	997,155,163	1,170,857,616
5,221,906	137,728	1,864,021	6,906,793	11,379,103	17,276,495
-	-	-	-	-	-
463,993	501,032	531,182	556,146	575,223	600,689
3,180,583	3,275,674	4,116,951	1,580,442	-	-
33,673	41,439	-	-	-	-
182,434	124,593	-	-	-	-
-	-	87,445	85,234	92,770	88,299
1,084,310,924	964,503,313	891,272,279	1,008,027,256	1,033,468,959	1,215,599,465
-	1,514,014	899,578	-	-	-
-	-	-	-	-	-
4,597,314	4,261,350	4,354,736	4,733,476	5,281,561	5,905,347
178,767	27,367	39,119	384,804	1,077,887	-
14,773	8,471	-	-	-	-
4,790,854	5,811,202	5,293,433	5,118,280	6,359,448	5,905,347
43,223	51,674	59,925	62,637	70,549	22,340
2,058,567	2,089,298	2,074,043	2,098,015	2,029,118	2,019,413
31,100	11,451	-	-	-	-
220,241,383	212,669,994	207,706,209	213,665,954	201,453,112	196,447,800
14,481,737	12,454,339	14,017,799	5,778,484	8,998,388	4,064,563
236,856,010	227,276,756	223,857,976	221,605,090	212,551,167	202,554,116
$ 1,325,957,788	$ 1,197,591,271	$ 1,120,423,688	$ 1,234,750,626	$ 1,252,379,574	$ 1,424,058,928

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Revenue, Expenses, and Changes in Net Position

Enterprise Funds

Last Ten Fiscal Years

	2023	2022	2021	2020
Operating Revenues				
Interest on Loans	$ 32,687,523	$ 32,323,454	$ 35,074,849	$ 40,963,239
Investment Income (Loss)	8,246,716	(4,637,184)	339,398	11,696,263
Administrative Charges and Fees	8,040,684	9,644,406	7,650,839	5,162,478
Low Income Housing Tax Credit Fees	8,028,128	9,508,721	5,256,621	3,080,015
Gain (Loss) on Sale of Foreclosed Property	-	(12,461)	-	78,721
Gain (Loss) on Debt Extinguishment	1,327,661	4,417,587	2,694,649	1,939,403
Miscellaneous Revenue	1,722	4,911	26,459	9,004
Total Operating Revenues	58,332,434	51,249,434	51,042,815	62,929,123
Operating Expenses				
Personal Services	14,067,608	8,845,625	7,863,929	8,697,614
Services and Supplies	3,904,573	4,313,509	2,901,533	3,727,327
Mortgage Service Fees	3,011,236	2,844,886	2,958,124	3,200,538
Foreclosure Costs	24,621	45,154	143,493	13,605
Interest Expense - Bonds	26,448,189	26,373,449	29,815,332	33,161,052
Interest Expense - Securities Lending	18,115	5,344	2,266	39,099
Interest Expense - Loans	-	-	-	-
Other Related Program Expenses	3,026,250	4,683,512	2,870,685	4,850,144
Depreciation/Amortization	8,874	10,776	3,190	5,821
Bad Debt Expense	-	-	-	-
Total Operating Expenses	50,509,466	47,122,255	46,558,552	53,695,200
Operating Income (Loss)	7,822,968	4,127,179	4,484,263	9,233,923
Nonoperating Revenue/(Expenses)				
Federal Grant Susbidy	-	-	74,857	-
Gain/(Loss) on Disposition of Capital Assets	-	-	-	(27,188)
Interest Expense - Pension-related Debt	(17,304)	(18,378)	(29,168)	(32,788)
Interest Expense - Leased Assets	(64)	(149)	-	-
Total Nonoperating Revenue/(Expenses)	(17,368)	(18,527)	45,689	(59,976)
Transfers				
Transfers from Other Funds	10,000,000	-	-	-
Transfers to Other Funds	-	(2,899,555)	-	-
Transfers from Other State Agencies	-	-	-	88,521
Transfers to Other State Agencies	(367,561)	(374,035)	(264,957)	(252,022)
Total Transfers	9,632,439	(3,273,590)	(264,957)	(163,501)
Increase (Decrease) in Net Position	$ 17,438,039	$ 835,062	$ 4,264,995	$ 9,010,446
Net Position - Beginning	250,966,513	250,131,451	245,866,456	236,856,010
Prior Period Adjustment	-	-	-	-
Change in Accounting Principle	-	-	-	-
Net Position - Beginning (Restated)	250,966,513	250,131,451	245,866,456	236,856,010
Net Position - Ending	$ 268,404,552	$ 250,966,513	$ 250,131,451	$ 245,866,456

Unaudited

2019	2018	2017	2016	2015	2014
$ 40,504,975	$ 36,644,795	$ 39,626,363	$ 46,381,931	$ 50,954,045	$ 52,542,197
11,846,649	3,650,448	332,374	6,767,972	3,484,174	4,844,825
4,358,237	3,295,836	2,537,227	2,111,542	2,444,692	833,012
3,364,208	2,924,199	1,604,511	1,126,415	3,174,641	1,566,180
45,379	146,174	373,502	314,222	288,970	548,575
984,697	1,129,267	1,039,870	1,034,419	1,311,768	1,329,839
6,938	93,062	358,328	115,962	60,801	16,350
61,111,083	47,883,781	45,872,175	57,852,463	61,719,091	61,680,978
5,712,702	5,206,618	5,126,065	5,828,772	3,868,949	4,250,998
2,886,332	3,084,561	2,508,940	2,437,292	2,392,345	2,429,232
2,931,395	2,394,668	2,264,580	2,393,209	2,619,687	2,820,877
215,168	438,500	616,407	422,662	324,684	995,546
31,556,074	27,235,723	28,487,108	33,287,518	38,491,579	43,280,173
95,991	21,699	1,974	22,326	12,347	13,410
-	-	-	-	-	24,575
7,832,586	5,778,673	4,346,935	4,169,306	2,740,696	4,554,711
8,451	8,452	7,910	7,912	4,394	2,034
-	-	33,583	-	-	-
51,238,699	44,168,894	43,393,502	48,568,997	50,454,681	58,371,556
9,872,384	3,714,887	2,478,673	9,283,466	11,264,410	3,309,422
-	-	-	-	-	-
-	-	-	-	-	-
(31,857)	(32,996)	(38,010)	(37,729)	(39,019)	(38,942)
-	-	-	-	-	-
(31,857)	(32,996)	(38,010)	(37,729)	(39,019)	(38,942)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(261,273)	(184,404)	(187,777)	(191,814)	(211,415)	(185,435)
(261,273)	(184,404)	(187,777)	(191,814)	(211,415)	(185,435)
$ 9,579,254	$ 3,497,487	$ 2,252,886	$ 9,053,923	$ 11,013,976	$ 3,085,045
227,276,756	223,857,976	221,605,090	212,551,167	202,554,116	214,936,632
-	-	-	-	2,979	(6,448,203)
-	(78,707)	-	-	(1,019,904)	(9,019,358)
227,276,756	223,779,269	221,605,090	212,551,167	201,537,191	199,469,071
$ 236,856,010	$ 227,276,756	$ 223,857,976	$ 221,605,090	$ 212,551,167	$ 202,554,116

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Cash Flows
Enterprise Funds
Last Ten Fiscal Years

	2023	2022	2021
Cash Flows from Operating Activities			
Received from Customers	$ 16,666,871	$ 19,837,627	$ 13,175,428
Program Loan Principal Repayments	69,330,450	167,842,514	222,941,663
Program Loan Interest Received	31,480,471	31,016,791	34,258,797
Program Loans Made	(136,638,159)	(150,727,831)	(95,332,814)
Payments to Employees for Services	(10,508,230)	(9,350,644)	(7,366,769)
Payments to Suppliers for Goods and Services	(6,709,107)	(7,487,876)	(5,684,303)
Other Receipts (Payments)	(1,937,619)	(3,008,841)	(2,057,220)
Net Cash Provided (Used) in Operating Activities	(38,315,323)	48,121,740	159,934,782
Cash Flows from Noncapital Financing Activities			
Proceeds from Bond Sales	114,018,169	188,634,844	61,927,675
Principal Payments - Bonds	(39,075,000)	(258,705,000)	(185,740,000)
Interest Payments - Bonds	(25,352,727)	(29,742,816)	(32,682,384)
Bond Issuance Costs	(989,191)	(1,572,368)	(803,477)
Bond Call Costs	-	(277)	(596)
Principal Payments - Loans	-	-	-
Interest Payments - Loans	-	-	-
Principal Payments - Pension-related Debt	(68,205)	(55,833)	(50,080)
Interest Payments - Pension-related Debt	(17,304)	(18,378)	(29,168)
Federal Grant Subsidy	-	-	74,857
Transfers from Other Funds	10,000,000	-	-
Transfers to Other Funds	-	(2,899,555)	-
Transfers from Other State Agencies	-	-	88,521
Transfers to Other State Agencies	(386,836)	(337,482)	(270,459)
Net Cash Provided (Used) in Noncapital Financing Activities	58,128,906	(104,696,865)	(157,485,111)
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	-	-	-
Lease Payments	(7,611)	(7,753)	-
Lease Interest	(74)	(139)	-
Net Cash Provided (Used) in Capital and Related Financing Activities	(7,685)	(7,892)	-
Cash Flows from Investing Activities			
Purchase of Investments	(130,692,371)	(305,323,565)	(380,551,164)
Proceeds from Sales and Maturities of Investments	246,326,867	369,503,258	346,112,454
Interest on Cash and Investments	6,764,730	2,827,415	3,541,314
Investment Income on Securities Lending	18,115	5,344	2,266
Interest Paid on Securities Lending	(18,115)	(5,344)	(2,266)
Net Cash Provided (Used) in Investing Activities	122,399,226	67,007,108	(30,897,396)
Net Increase (Decrease) in Cash and Cash Equivalents	142,205,124	10,424,091	(28,447,725)
Cash and Cash Equivalents Balance - Beginning	150,558,739	140,134,648	168,582,373
Cash and Cash Equivalents Balance - Ending	$ 292,763,863	$ 150,558,739	$ 140,134,648

Unaudited

2020	2019	2018	2017	2016	2015	2014
$ 8,763,454	$ 8,876,105	$ 7,079,496	$ 4,163,809	$ 3,569,340	$ 5,721,238	$ 2,596,251
139,616,140	113,960,119	126,654,062	138,955,178	142,159,092	145,611,724	120,322,978
39,340,959	38,764,669	35,717,096	38,803,932	44,151,928	50,261,428	54,750,757
(167,580,729)	(233,252,858)	(156,182,704)	(97,014,283)	(71,715,430)	(54,220,431)	(61,116,633)
(6,488,553)	(5,930,708)	(5,025,280)	(4,707,259)	(4,609,749)	(4,587,915)	(4,175,801)
(6,787,757)	(5,841,075)	(5,422,079)	(4,650,950)	(4,923,555)	(5,064,173)	(5,182,403)
(3,391,482)	(5,473,021)	(3,658,826)	(791,680)	47,139	941,970	1,431,972
3,472,032	(88,896,769)	(838,235)	74,758,747	108,678,765	138,663,841	108,627,121
177,018,587	216,176,306	280,205,736	134,026,831	211,033,001	31,377,604	139,605,754
(120,100,000)	(103,615,000)	(203,460,000)	(242,255,000)	(227,045,000)	(202,930,000)	(249,975,000)
(34,221,158)	(29,029,187)	(27,367,083)	(31,402,394)	(36,186,445)	(40,849,857)	(46,745,465)
(1,424,262)	(1,677,569)	(1,763,294)	(774,512)	(1,514,836)	(565,215)	(1,409,003)
-	-	-	-	-	-	-
-	-	-	-	-	-	(1,500,000)
-	-	-	-	-	-	(36,729)
(42,675)	(37,039)	(30,150)	(24,964)	(19,077)	(22,487)	(15,861)
(32,788)	(31,857)	(32,996)	(38,010)	(37,729)	(39,019)	(38,942)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(249,712)	(243,488)	(203,500)	(188,958)	(191,894)	(209,314)	(186,039)
20,947,992	81,542,166	47,348,713	(140,657,007)	(53,961,980)	(213,238,288)	(160,301,285)
-	-	5,445	(10,844)	-	(52,603)	(14,500)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	5,445	(10,844)	-	(52,603)	(14,500)
(413,127,785)	(510,891,434)	(498,137,269)	(368,836,911)	(441,963,836)	(289,867,498)	(390,462,021)
473,542,274	512,301,216	456,787,746	411,676,140	396,996,896	370,368,568	440,622,813
5,746,359	6,185,498	3,230,801	3,236,713	2,783,432	1,946,456	3,322,682
39,099	95,991	21,699	1,974	22,326	12,347	13,410
(39,099)	(95,991)	(21,699)	(1,974)	(22,326)	(12,347)	(13,410)
66,160,848	7,595,280	(38,118,722)	46,075,942	(42,183,508)	82,447,526	53,483,474
90,580,872	240,677	8,397,201	(19,833,162)	12,533,277	7,820,476	1,794,810
78,001,501	77,760,824	69,363,623	89,196,785	76,663,508	68,843,032	67,048,222
$ 168,582,373	$ 78,001,501	$ 77,760,824	$ 69,363,623	$ 89,196,785	$ 76,663,508	$ 68,843,032

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Weighted Average Interest Rate - New Mortgage Loans - Single-Family Mortgage Program
Enterprise Funds
Last Ten Fiscal Years

Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Overall Weighted Average Interest Rate	5.24%	2.86%	2.60%	3.07%	4.05%	3.62%	3.26%	3.44%	3.29%	3.18%
Mortgage Revenue Bonds	5.24%	2.86%	2.60%	3.07%	4.05%	3.62%	3.26%	3.44%	3.29%	3.09%
Housing Revenue Bonds	-	-	-	-	-	-	-	-	-	3.30%

Weighted average interest rate is calculated by multiplying each loan amount by the interest rate on the loan, adding all results together, then dividing by the total amount of new loans.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Principal Program Loan Interest Payers
Enterprise Funds
Current Year and Nine Years Ago

Unaudited

	Fiscal Year 2023			Fiscal Year 2014		
	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received	Rank	Program Loan Interest Received	Percent of Total Program Loan Interest Received
Emeralde Pointe	1	$ 1,024,111	3.25%	1	$ 1,150,041	2.10%
Beaver State Apartments	2	526,662	1.67%	6	570,356	1.04%
Autumn Park	3	253,993	0.81%			
Gateway Park Apts	4	214,431	0.68%			
Fifth Avenue Court	5	182,348	0.58%			
The Oaks Apartments	6	80,350	0.26%			
Oakwood Manor Apartments	7	61,419	0.20%			
Rosemont Town Homes	8	58,801	0.19%			
Forest Park Apartments	9	58,287	0.19%			
Westshore	10	55,053	0.17%			
Westridge Meadows Apartments				2	830,611	1.52%
Willamette Garden Apts				3	818,902	1.50%
Woodridge Apartments				4	785,905	1.44%
Troutdale Terrace Apts				5	701,699	1.28%
Lake Crest Apts				7	486,804	0.89%
Cascadia Village Retirement Center				8	372,228	0.68%
The Hazelwood				9	349,139	0.64%
Buckman Heights Apartments				10	327,860	0.60%
Total		$ 2,515,455	8.00%		$ 6,393,545	11.69%

Oregon Housing & Community Services Department

Ratio of Outstanding Debt
Enterprise Fund
Last Ten Fiscal Years

Unaudited

	Business-Type Activities - Enterprise Funds				
Fiscal Year	General Obligation Bonds (1)	Revenue Bonds (2)	Total	Percentage of Personal Income (3)	Per Capita (3)
2023	$ 20,075,000	$ 938,710,000	$ 958,785,000	0.36%	$ 226
2022	21,650,000	864,185,000	885,835,000	0.34%	208
2021	22,985,000	937,655,000	960,640,000	0.40%	226
2020	28,865,000	1,057,515,000	1,086,380,000	0.49%	258
2019	30,400,000	1,004,675,000	1,035,075,000	0.49%	247
2018	36,915,000	890,470,000	927,385,000	0.47%	224
2017	44,710,000	812,105,000	856,815,000	0.46%	209
2016	50,810,000	917,700,000	968,510,000	0.55%	241
2015	85,480,000	904,220,000	989,700,000	0.60%	250
2014	112,615,000	1,049,115,000	1,161,730,000	0.75%	296

(1) Elderly and Disabled Housing Bonds

(2) Mortgage Revenue Bonds, Housing Revenue Bonds (FY 2014 - FY 2021), Multifamily Housing Revenue Bonds, and Multiple Purpose Bonds (FY 2014)

(3) Personal Income and Population Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1) https://apps.bea.gov/itable/?ReqID=70&step=1

Population and Personal Income information can be found on page 58.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Legal Debt Margin Information
Enterprise Fund
Last Ten Fiscal Years

Unaudited

Fiscal Year	Debt Limit	Debt Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit
General Obligation Bonds				
2023	$ 4,823,464,807	$ 20,075,000	$ 4,803,389,807	0.42%
2022	4,118,468,847	21,650,000	4,096,818,847	0.53%
2021	3,783,733,523	22,985,000	3,760,748,523	0.61%
2020	3,578,984,548	28,865,000	3,550,119,548	0.81%
2019	3,384,375,594	30,400,000	3,353,975,594	0.90%
2018	3,104,548,584	36,915,000	3,067,633,584	1.19%
2017	2,795,635,633	44,710,000	2,750,925,633	1.60%
2016	2,530,877,318	50,810,000	2,480,067,318	2.01%
2015	2,347,393,704	85,480,000	2,261,913,704	3.64%
2014	2,167,365,136	112,615,000	2,054,750,136	5.20%
Revenue Bonds				
2023	$ 2,500,000,000	$ 938,710,000	$ 1,561,290,000	37.55%
2022	2,500,000,000	864,185,000	1,635,815,000	34.57%
2021	2,500,000,000	937,655,000	1,562,345,000	37.51%
2020	2,500,000,000	1,057,515,000	1,442,485,000	42.30%
2019	2,500,000,000	1,004,675,000	1,495,325,000	40.19%
2018	2,500,000,000	890,470,000	1,609,530,000	35.62%
2017	2,500,000,000	812,105,000	1,687,895,000	32.48%
2016	2,500,000,000	917,700,000	1,582,300,000	36.71%
2015	2,500,000,000	904,220,000	1,595,780,000	36.17%
2014	2,500,000,000	1,049,115,000	1,450,885,000	41.96%

Legal Debt Margin for Fiscal Year 2023

General Obligation Bonds

True cash value of all taxable property in the state	$ 964,692,961,481
Debt Limit (0.5% of true cash value)	4,823,464,807
Less: Debt applicable to the limit (Elderly and Disabled Housing Bonds)	(20,075,000)
Legal Debt Margin	$ 4,803,389,807

Revenue Bonds

The legal debt margin for OHCSD's revenue bonds is set by statute (Oregon Revised Statute 456.661).

For additional bond information see Note 9.

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Demographic and Economic Data - State of Oregon

Last Ten Years

Unaudited

Calendar Year	Population [1]	Personal Income [1] (in millions)	Per Capita Personal Income [1]	Annual Unemployment Rate [2]
2022	4,240,137	$ 264,173.8	$ 62,303	4.2%
2021	4,256,301	262,382.4	61,646	5.2%
2020	4,244,795	239,862.5	56,507	7.6%
2019	4,215,976	219,982.7	52,178	3.7%
2018	4,183,414	210,044.9	50,209	4.0%
2017	4,147,186	197,262.3	47,565	4.1%
2016	4,093,179	186,105.0	45,467	4.7%
2015	4,018,466	177,478.1	44,166	5.5%
2014	3,965,387	165,171.9	41,653	6.7%
2013	3,924,064	154,851.2	39,462	7.8%

[1] Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAINC1) - https://apps.bea.gov/itable/?ReqID=70&step=1

[2] Source: Oregon Employment Department
www.qualityinfo.org/uesti?lfAreacode=4101000000&lfAdjusted=y&lfMeasure=unemprate&lfSyear=2013&lfRpt=summary&lfEyear=2023

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Employment Data - State of Oregon

Current Year and Nine Years Ago

Unaudited

	Calendar Year 2022		Calendar Year 2013		
	Number of Employees	Percent of Total	Number of Employees	Percent of Total	Change
Health Care and Social Assistance	312,843	11.77%	260,929	11.54%	19.90%
Retail Trade	264,677	9.96%	236,752	10.47%	11.80%
Manufacturing	206,906	7.78%	191,642	8.48%	7.96%
Accommodation and Food Services	190,276	7.16%	167,481	7.41%	13.61%
Professional, Scientific, and Technical Services	187,980	7.07%	142,770	6.32%	31.67%
Construction	153,517	5.78%	107,297	4.75%	43.08%
Real Estate and Rental and Leasing	143,199	5.39%	102,831	4.55%	39.26%
Transportation and Warehousing	132,623	4.99%	65,279	2.89%	103.16%
Administrative and Support Services	129,574	4.87%	114,899	5.08%	12.77%
Finance and Insurance	108,772	4.09%	94,217	4.17%	15.45%
Wholesale Trade	86,064	3.24%	79,364	3.51%	8.44%
Arts, Entertainment, and Recreation	60,435	2.27%	55,008	2.43%	9.87%
Farm Employment	57,344	2.16%	63,721	2.82%	-10.01%
Management of Companies and Enterprises	52,792	1.99%	39,063	1.73%	35.15%
Educational Services	50,885	1.91%	57,012	2.52%	-10.75%
Information	49,275	1.85%	40,416	1.79%	21.92%
Forestry, Fishing, and Related Activities	32,859	1.24%	32,160	1.42%	2.17%
Waste Management and Remediation Services	6,736	0.25%	5,429	0.24%	24.07%
Utilities	5,299	0.20%	4,775	0.21%	10.97%
Mining, quarrying, and oil and gas extraction	4,621	0.17%	5,776	0.26%	-20.00%
Other Services	129,476	4.87%	118,009	5.22%	9.72%
Federal Government (Civilian)	27,876	1.05%	27,608	1.22%	0.97%
Military	10,604	0.40%	12,151	0.54%	-12.73%
State Government	43,172	1.62%	60,965	2.70%	-29.19%
Local Government	210,480	7.92%	174,783	7.73%	20.42%
Total Employment	2,658,285	100.00%	2,260,337	100.00%	17.61%

Source: Bureau of Economic Analysis, U.S. Department of Commerce (SAEMP25N) - https://apps.bea.gov/itable/?ReqID=70&step=1

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Loans Outstanding - by Interest Rate

Enterprise Funds

Current Year and Nine Years Ago

Unaudited

	June 30, 2023				June 30, 2014			
Interest Rate	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
Single Family Loans [(1)]								
0.00 - 2.99%	1,090	21.98%	$ 254,017,105	30.25%	28	0.44%	$ 913,456	0.13%
3.00 - 3.99%	1,673	33.74%	283,569,153	33.76%	963	15.30%	135,177,559	18.68%
4.00 - 4.99%	1,114	22.47%	166,960,570	19.88%	1,980	31.45%	229,888,185	31.77%
5.00 - 5.99%	800	16.14%	103,327,198	12.30%	2,426	38.54%	281,405,699	38.88%
6.00 - 6.99%	227	4.58%	30,837,784	3.67%	666	10.58%	67,405,418	9.31%
7.00 - 7.99%	53	1.07%	1,193,251	0.14%	202	3.21%	8,566,043	1.18%
8.00 - 8.99%	1	0.02%	12,104	0.00%	26	0.41%	356,439	0.05%
9.00 - 9.99%	-	-	-	-	3	0.05%	12,302	0.00%
10.00 - 10.99%	-	-	-	-	1	0.02%	4,313	0.00%
Total	4,958	100.00%	$ 839,917,165	100.00%	6,295	100.00%	$ 723,729,414	100.00%
Multi-Family Loans [(2)]								
0.00 - 2.99%	33	19.53%	$ 4,902,938	7.36%	58	15.76%	$ 7,649,550	2.65%
3.00 - 3.99%	6	3.55%	1,369,512	2.05%	7	1.90%	3,815,442	1.32%
4.00 - 4.99%	19	11.24%	5,113,197	7.67%	4	1.09%	2,825,357	0.98%
5.00 - 5.99%	17	10.06%	37,803,732	56.73%	37	10.05%	112,224,391	38.90%
6.00 - 6.99%	39	23.08%	16,484,230	24.74%	79	21.47%	98,339,760	34.09%
7.00 - 7.99%	49	28.99%	856,279	1.28%	80	21.74%	45,310,403	15.70%
8.00 - 8.99%	6	3.55%	112,504	0.17%	94	25.54%	10,880,147	3.77%
9.00 - 9.99%	-	-	-	-	9	2.45%	7,463,991	2.59%
Total	169	100.00%	$ 66,642,392	100.00%	368	100.00%	$ 288,509,041	100.00%
Grand Total	5,127		$ 906,559,557		6,663		$ 1,012,238,455	

[(1)] Mortgage Revenue Bonds and Housing Revenue Bonds (2014)

[(2)] Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, and Housing Finance Account Loans

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Loans Outstanding - by Monthly Payment Amount

Enterprise Funds

Unaudited

Current Year and Nine Years Ago

	June 30, 2023				June 30, 2014			
Monthly Payment [1]	Number of Loans	Percent	Principal Amount	Percent	Number of Loans	Percent	Principal Amount	Percent
Single Family Loans [2]								
\$ 0 - \$ 200	24	0.48%	\$ 412,857	0.05%	45	0.71%	\$ 1,163,208	0.16%
\$ 201 - \$ 400	236	4.76%	9,574,812	1.14%	536	8.51%	23,127,329	3.20%
\$ 401 - \$ 600	829	16.72%	56,555,459	6.73%	1,712	27.21%	134,440,911	18.57%
\$ 601 - \$ 800	1,080	21.78%	118,066,409	14.06%	1,929	30.64%	222,425,656	30.73%
\$ 801 - \$1,000	979	19.75%	165,381,704	19.69%	1,181	18.76%	172,917,123	23.89%
\$1,001 - \$1,200	757	15.27%	168,573,549	20.07%	589	9.36%	104,768,958	14.48%
\$1,201 - \$1,400	465	9.38%	125,226,848	14.91%	233	3.70%	47,919,360	6.62%
\$1,401 - \$1,600	238	4.80%	71,870,126	8.56%	58	0.92%	13,872,250	1.92%
\$1,601 - \$1,800	152	3.07%	50,589,747	6.02%	12	0.19%	3,094,619	0.43%
\$1,801 - \$2,000	97	1.95%	33,862,236	4.03%	-	-	-	-
\$2,001 - \$2,200	47	0.95%	17,260,404	2.06%	-	-	-	-
\$2,201 - \$2,400	36	0.73%	14,730,852	1.75%	-	-	-	-
\$2,401 - \$2,600	11	0.22%	4,618,188	0.55%	-	-	-	-
\$2,601 - \$2,800	6	0.12%	2,710,677	0.32%	-	-	-	-
\$2,801 - \$3,000	-	-	-	-	-	-	-	-
\$3,001 - \$3,200	1	0.02%	483,297	0.06%	-	-	-	-
Total	4,958	100.00%	839,917,165	100.00%	6,295	100.00%	723,729,414	100.00%
Multi-Family Loans [3]								
\$ 0 - \$ 1,000	100	59.17%	2,308,183	3.46%	210	57.07%	7,282,643	2.52%
\$ 1,001 - \$ 5,000	38	22.49%	7,980,179	11.97%	50	13.59%	14,986,444	5.19%
\$ 5,001 - \$10,000	15	8.88%	7,119,479	10.68%	27	7.34%	22,891,714	7.94%
\$10,001 - \$15,000	5	2.96%	3,836,083	5.76%	24	6.52%	30,442,236	10.55%
\$15,001 - \$20,000	3	1.78%	3,129,785	4.70%	18	4.89%	32,443,699	11.25%
\$20,001 - \$25,000	-	-	-	0.00%	13	3.53%	33,700,293	11.68%
\$25,001 - \$30,000	2	1.18%	5,981,531	8.98%	6	1.63%	20,925,478	7.25%
\$30,001 or more	4	2.37%	35,302,440	52.97%	14	3.80%	123,624,784	42.85%
Due at Maturity	2	1.18%	984,712	1.48%	6	1.63%	2,211,750	0.77%
Total	169	100.01%	66,642,392	100.00%	368	100.00%	288,509,041	100.00%
Grand Total	5,127		\$ 906,559,557		6,663		\$ 1,012,238,455	

[1] Principal and Interest only. Does not include taxes or insurance.

[2] Mortgage Revenue Bonds and Housing Revenue Bonds (2014)

[3] Elderly and Disabled Housing Fund, Multifamily Housing Revenue Bond, and Housing Finance Account Loans

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Loans Outstanding - By County
Enterprise Funds
June 30, 2023

	Elderly and Disabled Housing Program		Mortgage Revenue Bonds		Multifamily Housing Revenue Bonds	
County	Number of Loans	Principal Amount	Number of Loans	Principal Amount	Number of Loans	Principal Amount
Baker	1	$ 61,245	21	$ 2,020,444	-	$ -
Benton	4	1,208,930	43	5,663,748	-	-
Clackamas	10	169,697	277	57,730,428	1	3,984,594
Clatsop	1	17,559	10	1,076,871	-	-
Columbia	3	252,804	114	28,530,049	1	924,943
Coos	2	12,856	105	16,219,375	-	-
Crook	-	-	93	22,210,958	-	-
Curry	-	-	5	720,577	-	-
Deschutes	2	53,991	337	65,984,973	-	-
Douglas	2	35,677	118	15,819,535	1	776,949
Gilliam	2	89,161	2	302,609	-	-
Grant	-	-	6	1,269,767	-	-
Harney	2	654,261	14	1,574,217	-	-
Hood River	-	-	12	1,884,788	-	-
Jackson	2	11,434	286	49,024,405	1	727,308
Jefferson	-	-	104	22,945,907	-	-
Josephine	3	403,316	341	61,580,859	-	-
Klamath	-	-	145	15,111,826	-	-
Lake	1	52,039	15	1,619,935	-	-
Lane	10	517,995	225	23,988,976	1	956,631
Lincoln	4	1,777,082	35	3,123,027	-	-
Linn	7	824,344	127	20,251,082	-	-
Malheur	1	653,343	31	2,308,699	-	-
Marion	32	18,845,901	357	40,625,600	1	140,683
Morrow	-	-	17	1,589,328	-	-
Multnomah	42	10,840,193	1,373	250,219,024	7	10,670,114
Polk	3	533,015	63	10,284,426	-	-
Sherman	1	125,663	1	155,259	-	-
Tillamook	-	-	17	2,929,007	-	-
Umatilla	-	-	120	11,346,664	-	-
Union	2	149,918	39	4,080,864	-	-
Wallowa	1	544,071	5	505,265	1	8,370,953
Wasco	-	-	8	1,445,431	-	-
Washington	4	114,292	371	73,032,794	-	-
Wheeler	-	-	1	187,830	-	-
Yamhill	4	903,935	120	22,552,618	-	-
Total	146	$ 38,852,722	4,958	$ 839,917,165	14	$ 26,552,175

Housing Finance Account		Total	
Number of Loans	Principal Amount	Number of Loans	Principal Amount
-	$ -	22	$ 2,081,689
-	-	47	6,872,678
-	-	288	61,884,719
-	-	11	1,094,430
-	-	118	29,707,796
-	-	107	16,232,231
-	-	93	22,210,958
-	-	5	720,577
-	-	339	66,038,964
-	-	121	16,632,161
-	-	4	391,770
-	-	6	1,269,767
-	-	16	2,228,478
-	-	12	1,884,788
1	700,000	290	50,463,147
6	238,006	110	23,183,913
-	-	344	61,984,175
-	-	145	15,111,826
-	-	16	1,671,974
-	-	236	25,463,602
-	-	39	4,900,109
-	-	134	21,075,426
-	-	32	2,962,042
-	-	390	59,612,184
-	-	17	1,589,328
-	-	1,422	271,729,331
-	-	66	10,817,441
-	-	2	280,922
-	-	17	2,929,007
-	-	120	11,346,664
-	-	41	4,230,782
-	-	7	9,420,289
1	284,712	9	1,730,143
1	14,777	376	73,161,863
-	-	1	187,830
-	-	124	23,456,553
9	$ 1,237,495	5,127	$ 906,559,557

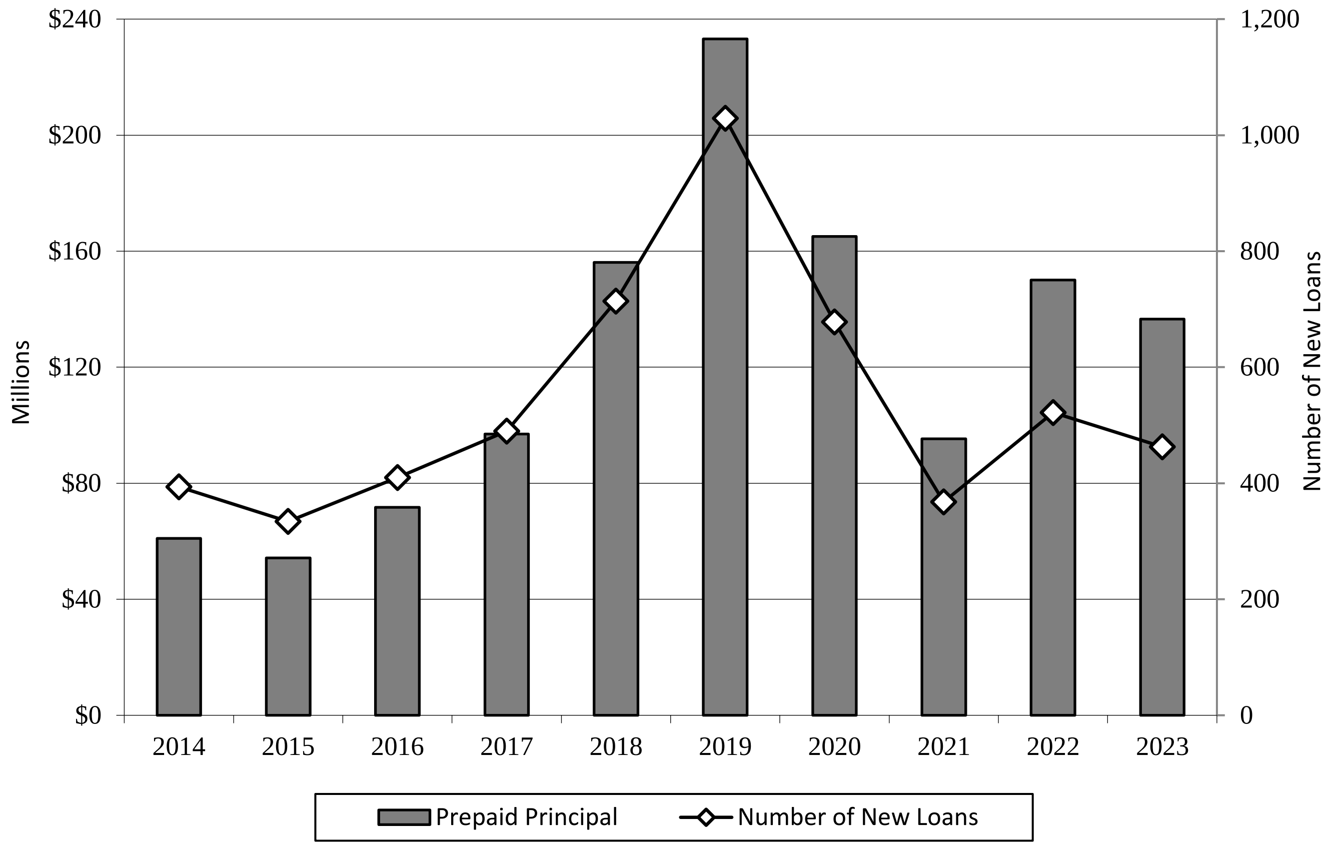
OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

New Mortgage Loans - Single-Family Mortgage Program

Enterprise Funds

Last Ten Fiscal Years

Unaudited



Fiscal Year	Number of New Loans	Original Loan Amount
2023	463	$ 136,638,159
2022	522	150,027,831
2021	368	95,332,814
2020	678	165,032,101
2019	1,029	233,203,348
2018	714	156,131,888
2017	490	96,914,554
2016	410	71,664,632
2015	334	54,219,431
2014	394	61,016,633

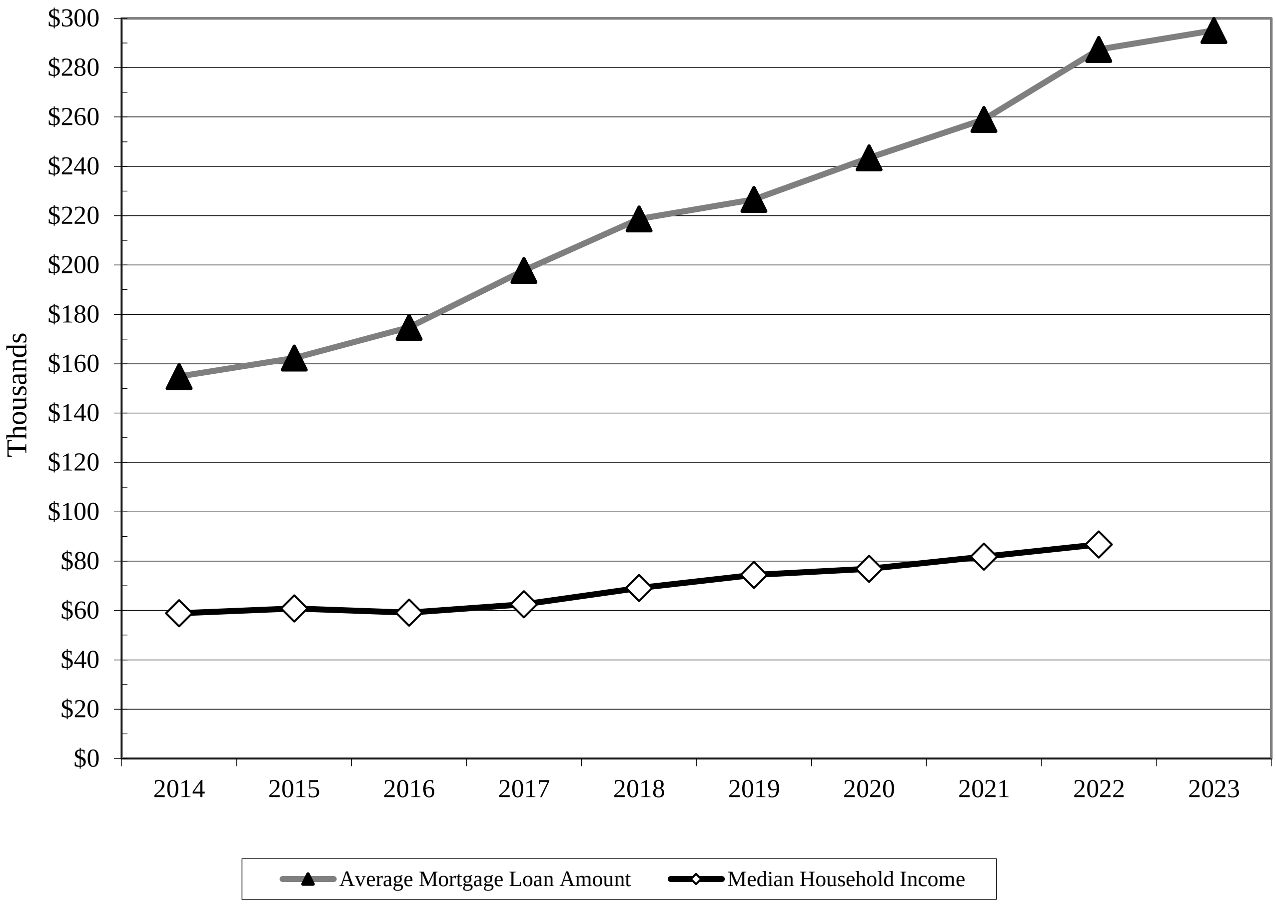
OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Average New Mortgage Loan Amount Versus Median Household Income - Single Family Mortgage Program

Unaudited

Enterprise Funds

Last Ten Years

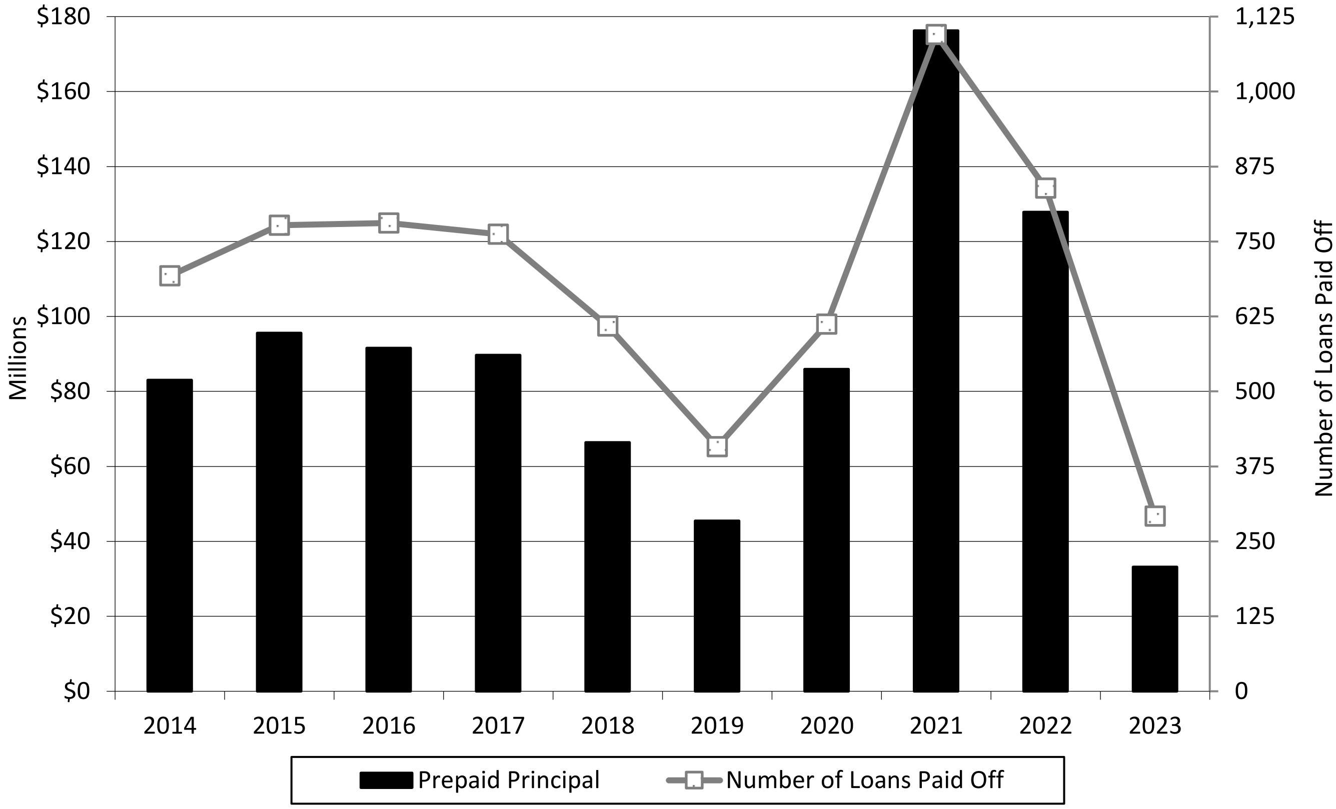


Fiscal Year	Average Loan Amount	Calendar Year	Median Household Income in the State of Oregon [1]
2023	$ 295,115		
2022	287,410	2022	$ 86,780
2021	259,057	2021	81,860
2020	243,410	2020	76,860
2019	226,631	2019	74,410
2018	218,672	2018	69,170
2017	197,785	2017	62,500
2016	174,792	2016	59,140
2015	162,334	2015	60,830
2014	154,865	2014	58,880

[1] Source: US Census Bureau - https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html (Table H-8)

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT
Mortgage Loans Paid Off - Single-Family Mortgage Program
Enterprise Funds
Last Ten Fiscal Years

Unaudited



Fiscal Year	Number of Loans Paid Off	Prepaid Principal
2023	292	$ 33,150,016
2022	839	127,881,513
2021	1,095	176,269,997
2020	612	85,890,206
2019	408	45,414,416
2018	609	66,400,638
2017	762	89,704,744
2016	781	91,544,807
2015	777	95,583,596
2014	693	83,050,591

OREGON HOUSING & COMMUNITY SERVICES DEPARTMENT

Number of Employees
Last Ten Fiscal Years

Unaudited

	Full-Time-Equivalent Employees as of June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Director's Office	12.0	10.0	4.0	3.0	3.0	3.0	13.0	11.0	10.0	2.0
Deputy Director's Office	33.0	18.0	63.0	52.0						
Central Services Division	72.0	66.0								
Public Affairs Division	20.0	17.0	10.0	11.0	9.0	9.0	7.0	7.0	10.0	9.0
Housing Stabilization Division	52.0	32.0	30.0	25.8	32.8	32.8	29.5	23.5	27.8	
Homeownership Division	36.0	34.0	21.0	24.0						
Affordable Rental Housing Division	96.0	81.0	71.0	60.0						
Housing Finance Division					79.0	71.0	65.5	51.5	53.5	
Chief Financial Office					19.0	19.0	22.0	21.0	20.0	
Chief Operations Office					21.0	18.0				
Business Operations Division										54.5
Program Delivery Division										60.0
Total	321.0	258.0	199.0	175.8	163.8	152.8	137.0	114.0	121.3	125.5

OHCSD's divsions were reorganized in 2015 and in 2020.

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Other Reports

LaVonne Griffin-Valade Secretary of State
Cheryl Myers Deputy Secretary of State, Tribal Liaison
Kip Memmott Audits Director

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Tina Kotek, Governor of Oregon
Andrea Bell, Director, Oregon Housing and Community Services Department

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Elderly and Disabled Housing Fund and Housing Finance Fund, which collectively comprise the Housing and Community Services Fund, an enterprise fund of the State of Oregon, Housing and Community Services Department, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Housing and Community Service Fund's basic financial statements, and have issued our report thereon dated October 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing and Community Services Department's (department) internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control. Accordingly, we do not express an opinion on the effectiveness of the department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Office of the Secretary of State, Audits Division

State of Oregon
October 30, 2023

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INITIAL LIQUIDITY FACILITIES

The following is a summary of certain provisions of the Initial Liquidity Facilities. This summary is not to be considered a full statement of the terms of the Initial Liquidity Facilities and accordingly is qualified by reference thereto and is subject to the full text thereof. Capitalized terms not otherwise defined in this summary or in this Official Statement have the respective meanings set forth in the Initial Liquidity Facilities.

The Issuer and Sumitomo Mitsui Banking Corporation, acting through its New York Branch (the "*Bank*"), expect to execute the Standby Letter of Credit and Reimbursement Agreement, dated as of November 1, 2024 (the "*Series 2024D Initial Liquidity Facility*") for the Issuer's Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series D (the "*2024 Series D Bonds*"), and the Standby Letter of Credit and Reimbursement Agreement, dated as of November 1, 2024 (the *"Series 2024E Initial Liquidity Facility"* and together with the Series 2024D Initial Liquidity Facility, the *"Initial Liquidity Facilities"*) for the Issuer's Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series E (the "*2024 Series E Bonds*," and together with the 2024 Series D Bonds, the "*2024 Series DE Bonds*"). The related Initial Liquidity Facility requires the Bank to make advances under the related standby letter of credit (the *"2024 Series D Letter of Credit"* and the *"2024 Series E Letter of Credit"* and together, the "*2024 Series DE Letter of Credit*") for the payment of the Purchase Price of the related 2024 Series DE Bonds that have been tendered and not remarketed subject to certain terms and conditions in the related Initial Liquidity Facility and described below.

Term of the 2024 Series DE Letter of Credit; Termination. Each 2024 Series DE Letter of Credit will terminate on the earliest to occur of the Bank's close of business on: (i) November 19, 2029*, or, if such day is not a Business Day, the Business Day immediately preceding such day (as extended from time to time, the "Expiration Date"); (ii) the close of business on the Business Day immediately following the date on which all of the related series of 2024 Series DE Bonds are converted to an interest rate other than the Weekly Rate (the "Conversion Date"); (iii) the date of receipt by the Bank of a certificate of the Tender Agent that (A) no 2024 Series DE Bonds of the related series that are subject to tender remain outstanding, (B) all liquidity advances required to be made under the Indenture and available under the 2024 Series DE Letter of Credit have been made and honored, or (C) an Alternate Liquidity Facility has been issued to replace a 2024 Series DE Letter of Credit; (iv) the date on which an Termination Event under and as defined in the Initial Liquidity Facility shall have occurred; and (v) the date which is the forty-fifth day (or the next succeeding Business Day if such day is not a Business Day) following receipt by the Tender Agent of a written notice from the Bank specifying the occurrence of certain Events of Default under the related Initial Liquidity Facility, and directing a mandatory tender of the related series of 2024 Series DE Bonds pursuant to the Indenture.

Issuance of 2024 Series DE Letter of Credit. Upon the terms, subject to the conditions and relying upon the representations and warranties set forth in the related Initial Liquidity Facility or incorporated by reference in the related Initial Liquidity Facility, the Bank agrees to issue the 2024 Series D Letter of Credit (substantially in the form attached to the Series 2024D Initial Liquidity Facility as Exhibit A) and the 2024 Series E Letter of Credit (substantially in the form attached to the Series 2024E Initial Liquidity Facility as Exhibit A). The 2024 Series D Letter of Credit shall be issued in the original stated amount of $43,547,617,* which is the sum of (i) the outstanding principal amount of the 2024 Series D Bonds on the Closing Date, plus (ii) interest thereon at an assumed rate of twelve percent (12%) per annum for a period of one hundred eighty-nine (189) days on the basis of a 365-day year. The 2024 Series E Letter of Credit shall be issued in the original stated amount of $35,687,803,* which is the sum of (i) the outstanding principal amount of the 2024 Series E Bonds on the Closing Date, plus (ii) interest thereon at an assumed rate of twelve percent (12%) per annum for a period of one hundred eighty-nine (189) days on the basis of a 365-day year.

Reimbursement of Drawings under the 2024 Series DE Letters of Credit; Bank Bond Mandatory Prepayment; Interest. (a)(i) If the conditions precedent contained in the section of the related Initial Liquidity Facility entitled "Conditions Precedent to Liquidity Drawings" are satisfied at the time of payment by the Bank of a Liquidity Drawing under a 2024 Series DE Letter of Credit pursuant to which the Tender Agent has purchased a related 2024 Series DE

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* Preliminary, subject to change.

Bond with the proceeds of such Liquidity Drawing under such Letter of Credit, such Liquidity Drawing shall constitute an advance (each a "*Liquidity Advance*") to the Issuer. The Issuer promises to repay to the Bank for each Liquidity Advance and the related Bank Bond on the earliest to occur of (A) the date on which such Letter of Credit is replaced by an Alternate Liquidity Facility, (B) the date on which any series of 2024 Series DE Bonds purchased with funds disbursed under the Letter of Credit in connection with such Liquidity Drawing are redeemed, economically defeased, prepaid or canceled pursuant to the Indenture, (C) the date on which any series of 2024 Series DE Bonds purchased with funds disbursed under the related Letter of Credit in connection with such Liquidity Advance are remarketed pursuant to the Indenture, (D) the Conversion Date with respect to the applicable series of 2024 Series DE Bonds, (E) the date on which the Stated Amount of such Letter of Credit is permanently reduced to zero or such Letter of Credit is otherwise terminated in accordance with its terms (other than as a result of the Letter of Credit expiring on the applicable Expiration Date) and (F) the related Purchase Start Date (but only if (x) an Event of Default exists on such Purchase Start Date or (y) any representation or warranty set forth in the article of the Initial Liquidity Facility entitled "Representations and Warranties of the Issuer" is not true and correct in all material respects on such Purchase Start Date).

The Issuer also promises to pay to the Bank interest on the unpaid principal amount of each Liquidity Advance and the related Bank Bond from the date such Liquidity Advance and the related Bank Bond is made or purchased, as applicable, until it is paid in full as provided in the applicable Initial Liquidity Facility, at a rate per annum equal to the Bank Rate from time to time in effect as more fully described in the article of the Initial Liquidity Facility entitled "The Bank Rate," which shall be payable monthly in arrears on the first day of each month for the immediately preceding calendar month (commencing on the first such date to occur after the date on which the related Liquidity Advance is made), and on the date that the final principal installment of such Liquidity Advance is payable as provided in the applicable Initial Liquidity Facility.

Any Liquidity Advance and the related Bank Bond may be prepaid in whole or in part on the day such Liquidity Advance is made and the related Bank Bond is purchased. Any Liquidity Advance and the related Bank Bond created pursuant to the terms and conditions of the related Initial Liquidity Facility may be prepaid in whole or in part without premium or penalty on any other Business Day upon one (1) Business Day's prior written notice.

Upon the Bank's receipt of any payment or prepayment of any Liquidity Advance and the related Bank Bond, the amount of such Liquidity Advance shall be reduced by the amount of such payment or prepayment.

Upon honoring any Liquidity Drawing, the Bank shall be deemed to have made a loan to the Tender Agent for the benefit of the Issuer the proceeds of which shall be used to purchase the Bank Bonds in respect of which such Liquidity Drawing is made, and the Issuer shall cause the Tender Agent to hold such Bank Bonds for the benefit of the Bank, and register such Bank Bonds in the name of the Bank, or its nominee, or to otherwise deliver such Bank Bonds as directed by the Bank pursuant to the Custody Agreement. During such time as the Bank is the owner of any 2024 Series DE Bonds, the Bank shall have all the rights granted to a bondholder under the Indenture and such additional rights as may be granted to the Bank under the related Initial Liquidity Facility. To the extent that the Bank actually receives payment in respect to principal of or interest on any Bank Bond held by the Bank, the Liquidity Advance made in connection with the purchase of such Bank Bond shall be deemed to have been reduced *pro tanto*, with the Bank crediting any payment on such Bank Bond received by the Bank, first to the payment of any outstanding interest accrued on the related Liquidity Advance, and second to the payment of the principal of such Liquidity Advance. Any such payment or prepayment to be applied to principal of Liquidity Advances under the Initial Liquidity Facility shall be applied to the prepayment of related Liquidity Advances in chronological order of their issuance under the Initial Liquidity Facility, and within each Liquidity Advance in inverse order of the principal installments payable thereon. Following the occurrence of an Event of Default, any payments received by the Bank under the related Initial Liquidity Facility shall be applied by the Bank to the payment of the Obligations in such order as the Bank shall determine.

Method of Purchasing. The Tender Agent shall give electronic notice or telecopy notice with receipt confirmed telephonically to the Bank in the form attached to the applicable Initial Liquidity Facility as Exhibit A, pursuant to an Optional Tender or a Mandatory Purchase, no later than 12:30 p.m. (Eastern United States time) on the Business Day on which such Bonds are subject to an Optional Tender or Mandatory Purchase. If the Bank receives such notice as provided above, and subject, in each case, to the satisfaction of the conditions set forth in the article of the Initial Liquidity Facility entitled "Conditions Precedent to Effectiveness," the Bank will transfer to the Tender Agent not later than 2:00 p.m. (Eastern United States time) on such date (a "*Purchase Date*") (or not later than 2:00 p.m. (Eastern United

States time) on the next Business Day if the Bank receives such notice after 12:30 p.m. (Eastern United States time)), in immediately available funds, an amount equal to the aggregate Purchase Price of all or such portion of such Eligible Bonds as requested from the Tender Agent. The Bank shall not have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Tender Agent which results in the failure of the Tender Agent to effect the purchase of 2024 Series DE Bonds for the account of the Bank with such funds provided pursuant to this section of the Initial Liquidity Facility or otherwise. 2024 Series DE Bonds so purchased shall be registered in the name of the Bank or, if directed in writing by the Bank, its nominee or designee on the Bond Register and shall be promptly delivered by the Tender Agent to the Custody Agent to be held as Bank Bonds under the Custody Agreement or as the Bank may otherwise direct in writing, and prior to such delivery shall be held by the Tender Agent as agent on behalf of the Bank. If the 2024 Series DE Bonds so purchased are Book Entry Bonds, the beneficial ownership of such 2024 Series DE Bonds shall be credited to the account of the Bank, or if directed in writing by the Bank, the Custody Agent or other nominee or designee of the Bank, maintained at DTC, and such 2024 Series DE Bonds shall be registered in the name of the Bank or its nominee or designee on the Bond Register, and prior to the sale of any Bank Bond by the Bank as provided in subsection (d)(i) of this section of the applicable Initial Liquidity Facility the Bank agrees to give all notices in the manner and by the time required by DTC to exclude such Bank Bond from Mandatory Purchases of 2024 Series DE Bonds. The Interest Component of the Purchase Price paid for such 2024 Series DE Bonds shall be paid to the Bank as provided in the section of the Initial Liquidity Facility entitled "Maturity; Interest."

Events of Default. The occurrence of any of the following events shall constitute an "Event of Default":

(1) (a) Any principal of, or interest on, any series of 2024 Series DE Bonds (including any Bank Bond) or Liquidity Advance shall not be paid when due (other than as a result of the acceleration of the payment of any Bank Bond and the related Liquidity Advance due to the occurrence of an Event of Default under the related Initial Liquidity Facility) or (b) any other amount owed to the Bank pursuant to the terms of the related Initial Liquidity Facility shall not be paid when due; or

(2) The Issuer shall fail to pay any amount owing under the Fee Letter within fifteen (15) days after the same shall become due; or

(3) Any representation or warranty made or deemed to be made to the Bank by or on behalf of the Issuer in the applicable Initial Liquidity Facility, the Fee Letter, or in any Related Document or in any certificate or statement delivered thereunder shall be incorrect or untrue in any material respect when made or deemed to have been made; or

(4) The Issuer shall fail to observe or perform any covenant or agreement of the Issuer contained (or incorporated by reference) in the applicable Initial Liquidity Facility and such failure shall continue for 60 days (or such longer period as provided in any such covenant or agreement) or more after written notice thereof requesting that such default be remedied has been given to it by the Bank; provided that the Issuer's failure to observe or perform the covenants set forth in the sections of the Initial Liquidity Facility entitled "Compliance with Law," "Appointment of Successors and Replacements," "Use of Proceeds," or subsection (ii) of the section entitled "Related Documents" or subsection (ii) of the section entitled "Indenture; Redemption of Bank Bonds," shall constitute an Event of Default immediately and without regard to any grace period; or

(5) The Issuer shall default in the due performance or observance of any other term, covenant or agreement contained in the applicable Initial Liquidity Facility (other than those referred to in sections (1), (2), (3) and (4) above under this heading "Events of Default" and such default shall remain unremedied for a period of thirty (30) days after the Bank shall have given written notice thereof to the Issuer; or

(6) Any Event of Default under the Indenture or any "event of default" which is not cured within any applicable cure period under any of the Related Documents shall occur which, if not cured, would give rise to remedies available thereunder; or

(7) Any material provision of the applicable Initial Liquidity Facility or any Related Document shall at any time for any reason cease to be valid and binding on the Issuer or any other party thereto or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by the Issuer or such other party thereto or

by any Governmental Authority having jurisdiction, or the Issuer or such other party shall deny that it has any or further liability or obligation under any such document; or

(8) Each rating assigned to the applicable 2024 Series DE Bonds shall fall below Investment Grade or be suspended or withdrawn for a credit related reason; or

(9) The Department shall default in any payment of principal of or premium, if any, or interest on any general obligation of the Department for borrowed money in excess of $10,000,000 and such default shall continue beyond the expiration of the applicable grace period, if any, or the Department shall fail to perform any other agreement, term or condition contained in any agreement under which any such obligation is created or secured, which shall permit or result in the declaring due and payable of such obligation prior to the date on which it would otherwise have become due and payable; or

(10) A final judgment or order for the payment of money from the Housing Finance Fund in excess of $5,000,000 shall have been rendered against the Issuer and such judgment or order shall not have been satisfied, stayed or bonded pending appeal within a period of sixty (60) days from the date on which it was first so rendered.

Remedies.

(1) In the case of any Termination Event, the Purchase Period, the Available Amount for each Letter of Credit and the obligation of the Bank to purchase the related 2024 Series DE Bonds shall immediately terminate without notice or demand to any Person, and thereafter the Bank shall be under no obligation to purchase such 2024 Series DE Bonds. Promptly upon such Event of Default, the Bank shall give written notice of the same to the Issuer, the Trustee and the Remarketing Agent; provided, that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the termination of the Available Amount and of the Bank's obligation to purchase any series of 2024 Series DE Bonds pursuant to the related Initial Liquidity Facility. The Issuer shall cause the Trustee to notify all holders of Bonds of the termination of the Available Amount and the termination of the obligation of the Bank to purchase the applicable 2024 Series DE Bonds.

(2) In the case of the occurrence of any Event of Default described in sections (1)(b), (2), (3), (4) or (9) above under the heading "Events of Default," or the occurrence of an Event of Default described in sections (6) or (7) above under the heading "Events of Default" which is not a Termination Event, the Bank may give written notice of such Event of Default and termination of the related Initial Liquidity Facility (a "*Notice of Termination Date*") to the Trustee, the Tender Agent, the Issuer, and the Remarketing Agent, requesting a Default Tender. The obligation of the Bank to purchase 2024 Series DE Bonds shall terminate on the forty-fifth (45th) day (or if such day is not a Business Day, the next following Business Day) after such Notice of Termination Date is received by the Tender Agent and on such date the Available Amount shall terminate and the Bank shall be under no obligation under the applicable Initial Liquidity Facility to purchase such 2024 Series DE Bonds.

(3) Upon the occurrence of any Event of Default, the Bank may declare all accrued and unpaid amounts payable to it under an Initial Liquidity Facility to be immediately due and payable (other than payments of principal of and interest on Bank Bonds, acceleration rights with respect to which are governed by the Indenture), and the Bank shall have all remedies provided at law or equity, including, without limitation, specific performance; provided, however, the Bank agrees to purchase the related 2024 Series DE Bonds on the terms and conditions of such Initial Liquidity Facility notwithstanding the occurrence of an Event of Default which does not terminate its obligation to purchase the related 2024 Series DE Bonds as described in sections (1) and (2) under this heading "Remedies."

(4) The remedies described in sections (1) and (2) above under this heading "Remedies" shall only be exclusive with respect to such Events of Default to the extent they are obtained by the Bank. If, for any reason whatsoever the Bank is not able to obtain all such remedies, then the Bank reserves the right and shall have the right to pursue any other available remedies, whether provided by law, equity or the related Initial Liquidity Facility.

Defined Terms. As used in the Initial Liquidity Facilities and in this Appendix C, the following terms have the meanings indicated below, unless the context clearly indicates otherwise:

"*Alternate Liquidity Facility*" has the meaning set forth in the Bond Declaration.

"*Available Amount*" has the meaning set forth in the applicable Letter of Credit.

"*Bank Bonds*" means any 2024 Series DE Bonds purchased by the Tender Agent with the proceeds of any Liquidity Drawing under the related 2024 Series DE Letter of Credit and for the account of the Bank in accordance with the provisions of the Custody Agreement; *provided, however*, that if the Bank elects to retain ownership of any Bank Bonds for which the Remarketing Agent has found a Purchaser, as permitted by the related Initial Liquidity Facility, then such 2024 Series DE Bonds shall thereafter cease to be Bank Bonds as and to the extent provided in subsection (d)(iii) of the section of the applicable Initial Liquidity Facility entitled "Bank Bonds."

"*Bank Rate*" means, for each day of determination with respect to any Bank Bond, except as otherwise provided in subsection (a)(i) of the section of the applicable Initial Liquidity Facility entitled "Bank Bonds," (i) for the period from and including the Purchase Date of such Bank Bond to but not including the earliest to occur of (x) the last day of the related Purchase Period and (y) the 366th calendar day following the related Purchase Date, the rate per annum equal to the Base Rate from time to time in effect, and (ii) thereafter, the rate per annum equal to the Base Rate from time to time in effect plus 1.00%; provided, that from and after the occurrence of an Event of Default, the Bank Rate shall equal the Default Rate; and, provided further, that at no time shall the Bank Rate with respect to any Bank Bonds be less than the interest rate on Bonds of such Series that are not Bank Bonds.

"*Bond Register*" means a register maintained by the Trustee in accordance with Section 207 of the Original Indenture.

"*Business Day*" means any day on which: (i) banks located (a) in the city in which the principal corporate trust office of the Trustee is located, (b) in the city in which the office of the Bank at which demands for payment under the applicable Initial Liquidity Facility are to be honored is located, (c) in the city in which the corporate trust office of the Tender Agent at which the related 2024 Series DE Bonds may be tendered for purchase by the holders thereof is located, and (d) in the city in which the principal office of the Remarketing Agent is located, are open, (ii) the offices of the Issuer are generally open for business, and (iii) on which The New York Stock Exchange is open.

"*Closing Date*" shall mean November 20, 2024,[*] subject to the satisfaction or waiver by the Bank of certain conditions precedent set forth in the article of the applicable Initial Liquidity Facility entitled "Conditions Precedent to Effectiveness."

"*Conversion Date*" means the date the interest rate on all or a portion of the 2024 Series DE Bonds has been converted to bear interest at an interest rate other than the Weekly Rate.

"*Custody Agent*" has the meaning assigned to such term in the Custody Agreement.

"*Custody Agreement*" means the Custody Agreement dated as of the date of the related Initial Liquidity Facility between the Custody Agent and the Bank, as amended, supplemented, modified or restated from time to time in accordance with its terms.

"*Debt*" of any Person means and includes (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all obligations of such Person to reimburse or repay any bank or other Person in respect of amounts paid or advances under a letter of credit, credit agreement, standby bond purchase agreement or any other similar instrument; (d) obligations with respect to any conditional sale agreement or title retention agreement; (e) Guarantees by such Person of Debt of other Persons; (f) obligations under leases which are required to be capitalized by generally accepted accounting principles; (g) indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person; (h) obligations of such Person under any Swap Contract; and (i) all other items or obligations which would be included in determining total liabilities on the balance sheet of such Person; *provided, however*, that "Debt" shall not include trade payables and similar obligations incurred in the ordinary course of business.

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[*] Preliminary, subject to change.

"*Default Rate*" means the Base Rate from time to time then in effect plus 3.00%.

"*Default Tender*" means a mandatory tender of the related series of 2024 Series DE Bonds as a result of the Bank's delivery of a Notice of Termination Date to the Issuer and the Tender Agent pursuant to section (2) under the heading "Remedies" above.

"*Department*" means the State of Oregon Housing and Community Services Department, including any successors and assigns.

"*DTC*" means The Depository Trust Company, New York, New York.

"*Electronic Notice*" means any notice sent by telecopier, e-mail or by any other electronic, facsimile, or telecommunications means for receiving notices.

"*Eligible Bonds*" means any 2024 Series DE Bonds bearing interest at a Weekly Rate and excluding Bank Bonds, or 2024 Series DE Bonds owned by, for the account of, or on behalf of, the Issuer.

"*Event of Default*" has the meaning described above under the heading "Events of Default."

"*Expiration Date*" means, with respect to the applicable 2024 Series DE Letter of Credit, the later of (i) 5:00 p.m. (New York City time) on November 19, 2029,* and (ii) the last day of any extension of such date pursuant to Section 9.7 hereof and the terms of the Letter of Credit or, if such day is not a Business Day, the Business Day immediately preceding such day.

"*Fee Letter*" means the Fee Agreement, by and between the Bank and the Issuer, relating to the applicable Initial Liquidity Facility as the terms thereof may be amended or supplemented by agreement of the parties thereto from time to time.

"*Governmental Authority*" means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

"*Guarantee*" means the legal obligation to pay the Debts or satisfy the liabilities of another Person, whether such guarantee is of payment or of performance.

"*Interest Component*" means the aggregate amount of the Purchase Price comprising interest on the 2024 Series DE Bonds purchased by the Bank in accordance with the terms of the related 2024 Series DE Letter of Credit supporting such series of 2024 Series DE Bonds.

"*Interest Payment Date*" with respect to any 2024 Series DE Bonds which are not Bank Bonds, has the meaning set forth in the Indenture and, with respect to Bank Bonds, each of the days set forth in subsection (a) of the section of the related Initial Liquidity Facility entitled "Maturity; Interest."

"*Investment Grade*" means a rating of "Baa3" (or its equivalent) or better by Moody's (if the series of 2024 Series DE Bonds is rated by Moody's), a rating of "BBB-" (or its equivalent) or better by S&P (if the series of 2024 Series DE Bonds is rated by S&P), or a rating of "Baa3" (or its equivalent) or better by Moody's and a rating of "BBB-" (or its equivalent) or better by S&P (if the series of 2024 Series DE Bonds is rated by both Moody's and S&P).

* Preliminary, subject to change.

"*Issuer*" means the State of Oregon acting by and through the Housing and Community Services Department. In addition, the term "Issuer," or references to assets or property of the Issuer, shall not be construed to include the general fund or any other funds or accounts held in the Oregon State Treasury, apart from the Housing Finance Fund. References to obligations or debts of the Issuer shall not be construed as a full faith and credit obligation of the State or any of its agencies, other than the Department.

"*Liquidity Advance*" has the meaning assigned to such term in the section of the applicable Initial Liquidity Facility entitled "Reimbursement of Drawings under the Letter of Credit; Bank Bond Mandatory Prepayment; Interest."

"*Liquidity Drawing*" means any drawing under a 2024 Series DE Letter of Credit accompanied by a certificate in the form attached as Annex A to such Letter of Credit in order to pay the purchase price of the applicable 2024 Series DE Bonds (other than Defaulted Interest) tendered for purchase pursuant to the Indenture and not remarketed.

"*Mandatory Purchase*" means the mandatory purchase of all or a portion of a series of 2024 Series DE Bonds, pursuant to Section 5.03 of the Bond Declaration at a price equal to the principal amount thereof plus, if the date of Mandatory Purchase is other than an Interest Payment Date for the Bonds, accrued interest.

"*Moody's*" means Moody's Investors Service, Inc., and its successors and assigns; provided, however, that if that corporation has been dissolved or liquidated or is no longer performing the functions of a securities rating agency, then the term "Moody's" means any other nationally recognized securities rating agency selected by the Issuer.

"*Obligations*" means all amounts payable by the Department, and all other obligations to be performed by the Department, pursuant to the applicable Initial Liquidity Facility and the other Related Documents (including any amounts to reimburse the Bank for any advances or expenditures by it under any of such documents).

"*Parity Debt*" means Debt of the Issuer described in clauses (b), (c), (f) and (h) of the definition thereof (and in the case of (f), excluding any lease, the obligation of which is subject to appropriation at the discretion of the State, and in the case of (h), only with respect to (1) Swap Contracts that provide interest rate support and (2) obligations that constitute regularly scheduled payments that relate to any such Debt that is secured on a basis that is senior to or on parity with the Bonds and the Bank Bonds); provided, that such Debt is secured by a security interest in the Revenues that is on a parity with, or senior to, the Bonds pursuant to the Indenture and the Bond Declaration.

"*Person*" means an individual, a corporation, a partnership, an association, an agency, an authority, a joint venture, a trust, a business trust, a limited liability company or any other entity or organization, including a governmental entity or political subdivision or an agency or instrumentality thereof.

"*Purchase Date*" means a Business Day during the Purchase Period related to a 2024 Series DE Letter of Credit on which the Bank honors a Liquidity Drawing under such Letter of Credit the proceeds of which are lent to the Tender Agent in order that the Tender Agent can purchase the related 2024 Series DE Bonds supported by such Letter of Credit that are tendered but not remarketed.

"*Purchase Period*" means, in respect of each 2024 Series DE Letter of Credit, the period from and including the date the Bank issues such Letter of Credit to and including the earliest of (i) the applicable Expiration Date, (ii) the close of business on the Business Day immediately following the Conversion Date with respect to the applicable series of 2024 Series DE Bonds supported by such Letter of Credit, (iii) the date on which no Eligible Bonds supported by such Letter of Credit are outstanding, (iv) the Substitution Date for such Letter of Credit or (v) the date on which the Available Amount of such Letter of Credit has been terminated in its entirety pursuant to subsection (b) of the section of the related Initial Liquidity Facility entitled "Reimbursement of Drawings under the Letter of Credit; Bank Bond Mandatory Prepayment; Interest" or the article of the related Initial Liquidity Facility entitled "Events of Default; Remedies."

"*Purchase Price*" means, with respect to any 2024 Series DE Bond to be purchased on a Purchase Date therefor, the unpaid principal amount thereof plus accrued interest thereon, other than Defaulted Interest, to but excluding such Purchase Date; *provided* that if the applicable Purchase Date is an Interest Payment Date, interest payable on such Bond on such Interest Payment Date shall be excluded from the computation of the Purchase Price payable by the Bank.

"*Purchaser*" has the meaning assigned to such term in subsection (d)(ii) of the section of the applicable Initial Liquidity Facility entitled "Bank Bonds."

"*Purchase Start Date*" means the earlier to occur of (a) the 91st day immediately succeeding the related Purchase Date and (b) the Expiration Date of the applicable 2024 Series DE Letter of Credit.

"*Related Documents*" means the applicable Initial Liquidity Facility, the related 2024 Series DE Bonds, the Custody Agreement, the Indenture, the related 2024 Series DE Letter of Credit, the Fee Letter, and the related Remarketing Agreement, and the equivalent documents executed in connection with the issuance of any bonds issued under the Indenture that become subject to support from such Initial Liquidity Facility.

"*Remarketing Agent*" has the meaning given such term in the Indenture.

"*Remarketing Agreement*" has the meaning given such term in the Indenture.

"*S&P*" means S&P Global Ratings, and its successors and assigns; provided, however, that if that corporation has been dissolved or liquidated or is no longer performing the functions of a securities rating agency, then the term "S&P" means any other nationally recognized securities rating agency selected by the Issuer.

"*Substitution Date*" means, in respect of a 2024 Series DE Letter of Credit, the date on which an Alternate Liquidity Facility is accepted by the Trustee and becomes effective.

"*Swap Contract*" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement*"), including any such obligations or liabilities under any Master Agreement.

"*Taxes*" means and all present or future taxes, duties, levies, imposts, fees, assessments, charges or withholdings, and any and all liabilities with respect to the foregoing, including interest, additions to tax and penalties applicable thereto.

"*Tender Agent*" means U.S. Bank Trust Company, National Association in its capacity as Tender Agent under the Bond Declaration and any successor tender agent appointed for the 2024 Series DE Bonds.

"*Tendered Bonds*" means, as of any date, Eligible Bonds which are tendered or deemed tendered for purchase and which have not been remarketed.

"*Termination Event*" means the occurrence of an Event of Default described in sections (1)(a), (6), (7), (8) or (10) above under the heading "Events of Default," each of which shall result in the termination of the Available Amount under the applicable 2024 Series DE Letter of Credit and the Bank's obligation to purchase Bonds under the related Initial Liquidity Facility pursuant to the provisions described in section (1) above under the heading "Remedies"; provided that, the occurrence of an Event of Default described in section (6) above under the heading "Events of Default" shall constitute a Termination Event only to the extent that such Event of Default relates to the Issuer's obligation to make timely payments of principal of, or interest on, any Parity Debt under the Indenture, and the occurrence of an Event of Default described in section (7) above under the heading "Events of Default" shall constitute a Termination

Event only to the extent that such Event of Default relates to the invalidity of such Initial Liquidity Facility, the Indenture or the Bond Declaration.

"*Trustee*" means U.S. Bank Trust Company, National Association in its capacity as Trustee under the Indenture and the Bond Declaration and any successor trustee appointed for the 2024 Series DE Bonds.

"*Weekly Rate*" has the meaning set forth in the Bond Declaration.

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APPENDIX D

INFORMATION CONCERNING THE BANK

Sumitomo Mitsui Banking Corporation (*Kabushiki Kaisha Mitsui Sumitomo Ginko*) ("**SMBC**") is a joint stock corporation with limited liability (*Kabushiki Kaisha*) under the laws of Japan. The registered head office of SMBC is located at 1-1-2, Marunouchi, Chiyoda ku, Tokyo, 100-0005, Japan.

SMBC was established in April 2001 through the merger of two leading banks, The Sakura Bank, Limited and The Sumitomo Bank, Limited. In December 2002, Sumitomo Mitsui Financial Group, Inc. ("**SMFG**") was established through a statutory share transfer (*kabushiki-iten*) as a holding company under which SMBC became a wholly-owned subsidiary.

SMBC is one of the world's leading commercial banks and provides an extensive range of banking services to its customers in Japan and overseas. In Japan, SMBC accepts deposits, makes loans and extends guarantees to corporations, individuals, governments and governmental entities. It also offers financing solutions such as syndicated lending, structured finance and project finance. SMBC also underwrites and deals in bonds issued by or under the guarantee of the Japanese government and local government authorities, and acts in various administrative and advisory capacities for certain types of corporate and government bonds. Internationally, SMBC operates through a network of branches, representative offices, subsidiaries and affiliates to provide many financing products, including syndicated lending and project finance.

The New York Branch of SMBC is licensed by the New York State Department of Financial Services to conduct branch banking business at 277 Park Avenue, New York, New York, and is subject to examination by the New York State Department of Financial Services and the Federal Reserve Bank of New York.

Financial and Other Information

Audited consolidated financial statements for SMFG and its consolidated subsidiaries, as well as other corporate data, financial information and analyses, are available in English on SMFG's website at www.smfg.co.jp/english. The information on SMFG's website does not form part of this Disclosure/Prospectus Supplement and is not incorporated herein by reference. SMBC does not accept any responsibility for any information contained in this Disclosure/Prospectus Supplement other than the information relating to SMBC, acting through its New York Branch.

The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of SMBC since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to its date.

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APPENDIX E

DTC AND BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Offered Bonds. The Offered Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Offered Bond certificate will be issued for each maturity of each Series of the Offered Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with Direct Participants, the "Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com (information on the DTC website is not a part of the Official Statement).

Purchases of the Offered Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Offered Bonds on DTC's records. The ownership interest of each actual purchaser of each Offered Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Offered Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Offered Bonds, except in the event that use of the book-entry system for the Offered Bonds is discontinued.

To facilitate subsequent transfers, all Offered Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Offered Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Offered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Offered Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Offered Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Offered Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Offered Bonds may wish to ascertain that the nominee holding the Offered Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity of a Series of the Offered Bonds is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Offered Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Department as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Offered Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price, purchase price and interest payments on the Offered Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Department or the Trustee, on each payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Department, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price, purchase price (if applicable) and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Department or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Offered Bonds at any time by giving reasonable notice to the Department or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Offered Bond certificates are required to be printed and delivered.

The Department may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor depository). In that event, Offered Bond certificates will be printed and delivered to DTC.

The information herein concerning DTC and DTC's book-entry system has been obtained from sources that the Department believes to be reliable, but the Department takes no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Offered Bonds, as nominee for DTC, reference herein to the registered owners of the Offered Bonds (other than under the heading "TAX MATTERS" in the Official Statement) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Offered Bonds.

DTC may discontinue providing its services as securities depository with respect to the Offered Bonds at any time by giving reasonable notice to the Department or the Trustee. The Department, in its sole discretion and without the consent of any other person but pursuant to DTC's procedures, may terminate the services of DTC with respect to the Offered Bonds. In the event that no substitute securities depository is found by the Department or restricted registration is no longer in effect, the Offered Bond certificates will be printed and delivered as provided in the Indenture and registered in accordance with the instructions of the purchasers, and the following requirements of the Indenture will apply. Interest on the Offered Bonds will be payable by check mailed by the Trustee to the registered owner thereof at the address appearing on the registration books as of the Regular Record Date (the 15th day of the month prior to the interest payment date) or a Special Record Date, as applicable. The principal of and redemption premium, if any, and interest due at maturity or redemption on the Offered Bonds will be payable at the corporate trust office of the Trustee or the Paying Agent upon presentation of the Offered Bonds on or after the date of maturity or redemption. Upon each exchange or transfer of the Offered Bonds, the subsequent owner will be required to pay any tax, fee or other governmental charge, except (1) with respect to the delivery of definitive Bonds in exchange for temporary Bonds or

(2) as otherwise provided in the Indenture. Neither the Trustee nor the Department will be required to make any exchange or registration of transfer during the 15-day period preceding the date of the first publication of a notice of redemption, or after such Offered Bonds or any portion thereof have been selected for redemption. Registration of ownership of Bonds may be made only on the books held at the corporate trust office of the Trustee for that purpose.

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APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate"), dated November __, 2024, is executed and delivered by the State of Oregon, acting by and through its State Treasurer (the "State Treasurer") and its Housing and Community Services Department (the "Department"; together with the State Treasurer, the "Issuer"), in connection with the issuance of the State of Oregon Housing and Community Services Department Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series C, 2024 Series D and 2024 Series E (collectively, the "Offered Bonds"). The Offered Bonds are being issued and delivered pursuant to a Trust Indenture dated as of May 1, 1988, as amended and restated (the "Indenture"), and two Housing Finance Bond Declarations, approved and filed in the Office of the State Treasurer (collectively, the "Bond Declarations"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Indenture and the Bond Declarations, as applicable.

Section 1. *Purpose of Certificate*. This Certificate is being executed and delivered by the Issuer for the benefit of holders of the Offered Bonds and to assist the underwriters of the Offered Bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the "Rule").

Section 2. *Annual Financial Information*. The Issuer, as the "obligated person" for purposes of the Rule, hereby agrees to provide or cause to be provided at least annually to the Municipal Securities Rulemaking Board established pursuant to the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto or to the functions thereof contemplated by this Certificate (the "MSRB"), financial information regarding the Department and the Single-Family Mortgage Program (the "Program") of the type set forth in the Official Statement for the Offered Bonds under the following captions:

The Department
- Funds and Accounts of the Department
  - *Combined Program Account in the Housing Finance Fund*

The Program
- Certain Information Relating to Outstanding Mortgage Loans
- Certain Information Relating to Outstanding Guaranteed Mortgage Securities
- Certain Information Relating to Mortgage Loan Delinquencies and Foreclosures
- Amounts Available to Purchase Mortgage Loans and Guaranteed Mortgage Securities
- Outstanding Mortgage Revenue Bonds

Appendix B - Oregon Housing and Community Services Department Financial Statements

Such financial information shall also include information with respect to the amounts on deposit in the Insurance Reserve Account and the Debt Reserve Account.

The financial information described above will be filed no later than 9 months after the fiscal year end of the Department. Such information will include audited financial statements prepared in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board as in effect from time to time; provided, however, that if audited financial statements are not available within 9 months after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available.

Certain items of annual financial information may be provided by way of cross-reference to other documents (i) available to the public on the MSRB Internet Web site (currently, www.emma.msrb.org) or (ii) filed with the U.S. Securities and Exchange Commission. If the document included by cross-reference is a final official statement, it must be available from the MSRB.

Section 3. *Notice Events*. The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of such event, to the MSRB, notice of the occurrence of any of the following events with respect to the Offered Bonds:

a. principal and interest payment delinquencies;

b. nonpayment related defaults, if material;

c. unscheduled draws on debt service reserves reflecting financial difficulties;

d. unscheduled draws on credit enhancements reflecting financial difficulties;

e. substitution of credit or liquidity providers, or their failure to perform;

f. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Offered Bonds, or other material events affecting the tax status of the Offered Bonds;

g. modifications to rights of the holders of the Offered Bonds, if material;

h. Offered Bond calls, if material and tender offers;

i. defeasances;

j. release, substitution, or sale of property securing repayment of the Offered Bonds, if material;

k. rating changes;

l. bankruptcy, insolvency, receivership or similar event of the Issuer[†];

m. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

n. appointment of a successor or additional trustee or the change of name of a trustee, if material;

o. incurrence of a financial obligation[††] of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect holders of the Offered Bonds, if material; and

p. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[††] of the Issuer, any of which reflect financial difficulties.

[†] For the purposes of the event identified in clause l. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

[††] For the purposes of the events identified in clauses o. and p., "financial obligation" means "financial obligation" as such term is defined in the Rule.

The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Offered Bonds, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. *Failure to File Annual Financial Information*. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of a failure by the Issuer to provide the annual financial information described in Section 2 above on or prior to the time set forth in Section 2.

Section 5. *Dissemination Agent*. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. *Transmission of Notices, Documents and Information*. (a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Markets Access ("EMMA") system, the current Internet Web address of which is www.emma.msrb.org.

(b) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB (currently, portable document format (pdf), which must be word-searchable except for non-textual elements) and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. *Termination of Obligations*. Pursuant to paragraph (b)(5)(iii) of the Rule, the Issuer's obligation to provide annual financial information and notice of material events, as set forth herein, shall terminate if and when the Issuer no longer remains an obligated person with respect to the Offered Bonds, which shall occur upon payment or redemption of the Offered Bonds in full or upon the legal defeasance of the Offered Bonds in accordance with Article XI of the Indenture. In addition, and notwithstanding the provisions of Section 9 below, the Issuer may rescind its obligations under this Certificate, in whole or in part, if (i) the Issuer obtains an opinion of nationally recognized bond counsel that those portions of the Rule that required the execution and delivery of this Certificate are invalid, have been repealed, or otherwise do not apply to the Offered Bonds, and (ii) the Issuer notifies and provides to the MSRB a copy of such legal opinion.

Section 8. *Enforceability and Remedies*. The Issuer agrees that this Certificate is intended to be for the benefit of the beneficial owners and holders of the Offered Bonds and shall be enforceable by or on behalf of any such holders; provided that the right of any beneficial owner to challenge the adequacy of the information furnished pursuant to this Certificate shall be limited to an action by or on behalf of the holders of the Offered Bonds representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Offered Bonds. Any failure by the Issuer to comply with the provisions of this Certificate shall not be an Event of Default under the Indenture or the Bond Declarations. This Certificate confers no rights on any person or entity other than the Issuer, the beneficial owners and holders of the Offered Bonds and any Dissemination Agent.

Section 9. *Amendment*. Notwithstanding any other provision of this Certificate (but without limiting the provisions of Section 7 above), the Issuer may amend this Certificate, without the consent of the holders of the Offered Bonds, under the following conditions:

(1) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer, or type of business conducted;

(2) This Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment does not materially impair the interest of the holders of the Offered Bonds, as determined either by parties unaffiliated with the Issuer (such as the trustee for the Offered Bonds or nationally

recognized bond counsel), or by approving vote of holders of the Offered Bonds pursuant to the terms of the Indenture at the time of the amendment.

The Issuer shall provide notice of any amendment which changes the accounting principles followed by the Department in preparation of its annual financial information to the MSRB.

The initial annual financial information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change in the type of operating data or financial information being provided.

Section 10. *Choice of Law*. This Certificate shall be governed by and construed and enforced in accordance with the laws of the State, notwithstanding its conflict-of-law principles, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 11. *Counterparts*. This Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

STATE OF OREGON
Tobias Read
State Treasurer

By ________________________________
Director, Debt Management Division

Date: November __, 2024

STATE OF OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

By ________________________________
Deputy Director

Date: November __, 2024

REDEMPTION PRICE TABLE FOR CERTAIN REDEMPTIONS

The PAC Bonds that are redeemed pursuant to the first paragraph under "THE OFFERED BONDS – Redemption Provisions – Special Redemption" or the second paragraph under "– Optional Redemption" will be redeemed at the respective Redemption Prices on the redemption dates set forth below.

Redemption Dates	Redemption Prices
January 1, 2025	%
July 1, 2025	
January 1, 2026	
July 1, 2026	
January 1, 2027	
July 1, 2027	
January 1, 2028	
July 1, 2028	
January 1, 2029	
July 1, 2029	
January 1, 2030	
July 1, 2030	
January 1, 2031	
July 1, 2031	
January 1, 2032	
July 1, 2032	
January 1, 2033	
July 1, 2033	
January 1, 2034	
July 1, 2034 and thereafter	

The applicable Redemption Price for any date other than those above will be determined by the Department using straight-line interpolation between the respective Redemption Prices for the immediately preceding and succeeding dates, based on the number of days between such dates.

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APPENDIX H

PROJECTED PERCENTAGES OF INITIAL PRINCIPAL BALANCE OUTSTANDING AND PROJECTED WEIGHTED AVERAGE LIVES FOR THE PAC BONDS

Set forth in the table below are projected percentages of initial principal balance outstanding and projected weighted average lives for the PAC Bonds under various prepayment speeds. "Projected percentages of initial principal balance outstanding" refers to the principal balance of a security that will be outstanding on a specified date expressed as a percentage of the initial principal amount of such security. The "projected weighted average life" of a security refers to the average amount of time, measured here in years, that is projected to elapse from the date of delivery of such security to the date of projected payment to the investor of each dollar paid to reduce the principal of such security (assuming no losses). The projected weighted average life of a security is determined by (a) multiplying each projected reduction, if any, of the outstanding amount of such security by the number of years from the date of delivery of such security to the related redemption date or maturity date, (b) adding the results and (c) dividing the sum by the initial outstanding amount of such security. The calculation of the projected weighted average lives of the PAC Bonds set forth below is hypothetical, based on the making of certain assumptions, which are the same as those made under the caption "THE OFFERED BONDS – Redemption Provisions – *Special Redemption of the PAC Bonds*" in the Official Statement, except, in the case of the last row of the following table, clause (6) thereunder.

Projected Percentages of Initial Principal Balance Outstanding and Weighted Average Lives

$48,425,000 2024 Series C PAC Bonds due July 1, 2054*

Prepayment Assumption (expressed as a percentage of SIFMA Standard Prepayment Model)

	0	25	50	75	100	200	300	400	500	650	800
Initial Percentage	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
July 1, 2025	100.0	99.4	98.9	98.3	97.7	97.7	97.7	97.7	97.7	97.7	97.7
July 1, 2026	100.0	97.4	94.7	92.1	89.4	89.4	89.4	89.4	89.4	89.4	89.4
July 1, 2027	100.0	94.2	88.5	82.8	77.2	77.2	77.2	77.2	77.2	77.2	77.2
July 1, 2028	100.0	90.4	81.0	71.8	62.9	62.8	62.8	62.8	62.8	62.8	62.8
July 1, 2029	100.0	86.7	73.8	61.4	49.6	49.5	49.5	49.5	49.5	49.5	49.5
July 1, 2030	100.0	83.1	67.1	51.8	37.4	37.3	37.3	37.3	37.3	37.3	37.3
July 1, 2031	100.0	79.7	60.7	42.9	26.2	26.2	26.2	26.2	26.2	26.5	29.6
July 1, 2032	100.0	76.5	54.7	34.6	16.1	16.1	16.1	16.1	16.1	19.4	25.6
July 1, 2033	100.0	73.4	49.1	27.0	6.9	6.8	6.8	6.8	8.7	15.2	23.7
July 1, 2034	100.0	70.5	43.9	19.9	-	-	-	-	3.7	12.8	22.7
July 1, 2035	100.0	67.7	39.0	13.5	-	-	-	-	0.3	11.3	22.2
July 1, 2036	100.0	65.1	34.5	7.6	-	-	-	-	-	10.5	21.9
July 1, 2037	100.0	62.6	30.3	2.3	-	-	-	-	-	10.0	21.8
July 1, 2038	100.0	60.3	26.3	-	-	-	-	-	-	9.7	21.8
July 1, 2039	100.0	58.1	22.7	-	-	-	-	-	-	9.5	21.7
July 1, 2040	100.0	56.1	19.4	-	-	-	-	-	-	9.4	21.7
July 1, 2041	100.0	54.2	16.3	-	-	-	-	-	-	9.4	21.7
July 1, 2042	100.0	52.4	13.5	-	-	-	-	-	-	9.3	21.7
July 1, 2043	100.0	50.8	11.0	-	-	-	-	-	-	9.3	21.7
July 1, 2044	100.0	49.4	8.8	-	-	-	-	-	-	9.3	21.7
July 1, 2045	100.0	48.0	6.8	-	-	-	-	-	-	9.3	21.7
July 1, 2046	93.1	43.6	4.6	-	-	-	-	-	-	8.7	20.2
July 1, 2047	83.0	37.9	2.6	-	-	-	-	-	-	7.8	18.0
July 1, 2048	73.1	32.5	1.1	-	-	-	-	-	-	6.8	15.9
July 1, 2049	63.2	27.4	-	-	-	-	-	-	-	5.9	13.7
July 1, 2050	52.4	22.1	-	-	-	-	-	-	-	4.9	11.4
July 1, 2051	40.8	16.7	-	-	-	-	-	-	-	3.8	8.9
July 1, 2052	28.1	11.2	-	-	-	-	-	-	-	2.6	6.1
July 1, 2053	14.4	5.5	-	-	-	-	-	-	-	1.4	3.1
First Payment or Redemption Date	1/1/2046	7/1/2025	7/1/2025	7/1/2025	7/1/2025	7/1/2025	7/1/2025	7/1/2025	7/1/2025	7/1/2025	7/1/2025
Last Payment or Redemption Date	7/1/2054	7/1/2054	7/1/2049	1/1/2038	7/1/2034	7/1/2034	7/1/2034	7/1/2034	1/1/2036	7/1/2054	7/1/2054
Weighted Average Life (in years)											
Optional Call Not Exercised	25.9	17.1	9.9	6.4	5.0	5.0	5.0	5.0	5.1	6.7	8.9
Optional Call on 7/1/2032 Exercised	7.6	6.9	6.2	5.5	4.8	4.8	4.8	4.8	4.8	4.8	4.9

* Preliminary, subject to change.

APPENDIX I

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. Reference should be made to the Indenture itself for its complete text, copies of which are available from the Department upon request.

Certain Definitions

"Accreted Value" with respect to any Discount Bond means the present value as of any date of calculation of future scheduled payments of principal of and interest on such Discount Bond, such payments to be discounted semiannually on each January 1 and July 1 at a discount rate that is equal to the original issue yield to maturity.

"Amortized Value" means for securities purchased at a premium above or a discount below par, the value as of any given date obtained by amortizing the premium or discount over the period from the date of such purchase to the date of calculation at the original yield to maturity; and (a) in the case of securities purchased at a premium, by deducting the amount thus obtained from the purchase price, and (b) in the case of securities purchased at a discount, by adding the amount thus obtained to the purchase price.

"Authorized Newspapers" means not less than two newspapers or financial journals, printed in the English language and customarily published (except in the case of legal holidays) at least once a day for at least five days in each calendar week, one of which is of general circulation in the City of Portland, Oregon and the other of which is of general circulation in the Borough of Manhattan, City and State of New York.

"Authorized Officer" means the Director or the Treasurer and, in the case of any act to be performed or duty to be discharged, any other member, officer or employee of the State then authorized to perform such act or discharge such duty.

"Bond Counsel" means such attorney or firm of attorneys which is nationally recognized to deliver opinions on the validity of issuance of obligations by state and local governmental entities and, if applicable, on the exclusion of interest on such obligations from gross income for federal income tax purposes.

"Bond Year" means a twelve-month period commencing on July 1 in each year that Bonds are Outstanding.

"Costs of Issuance" means all items of expense, payable or reimbursable directly or indirectly by the Department and related to the authorization, sale and issuance of the Bonds and entering into of other Parity Obligation Instruments, as certified by an Authorized Officer, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary and other private parties performing services for the Department or under the Indenture in connection with the issuance or payment of Bonds, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds and any other cost, charge or fee in connection with the original issuance of Bonds.

"Director's Determination" means the formal written action of the Director, delivered to the Treasurer, the Trustee and each of the Rating Agencies, reflecting modifications to the Indenture with respect to one or more Series of Bonds, as permitted or required by the express terms of the Indenture or the Housing Finance Bond Declaration related to such Series.

"Discount Bonds" means (i) any Bond or Bonds offered for sale to the public or sold to the initial purchaser thereof at the time of sale thereof by the Department at an initial reoffering price or initial principal amount of less than 98% of the principal amount at maturity thereof without reduction to reflect underwriter's discount or placement agent's fees, and (ii) any other Bond or Bonds designated as Discount Bonds by the Housing Finance Bond Declaration related to the issuance of such Series of Bonds.

"Expenses" means amounts owing by or on behalf of the Department related to operation and maintenance of the Program.

"Government Obligations" means obligations of the United States of America or as to which the principal thereof and interest thereon are guaranteed by the United States of America.

"Guaranteed Mortgage Securities" means obligations representing undivided beneficial ownership interests (unless any other interest therein is allowed by the Act) in mortgage loans, which obligations are issued by or guaranteed by the Government National Mortgage Association, Fannie Mae, Federal Home Loan Mortgage Corporation or, to the extent set forth in a Director's Determination, any other agency or instrumentality of or chartered by the United States to which the powers of any of them have been transferred or which have similar powers to purchase mortgage loans.

"Hedge Receipt" means, if and to the extent designated as such pursuant to the Housing Finance Bond Declaration authorizing the related Qualified Hedge or a Director's Determination, the net amount, if any, required to be paid to the Department under a Qualified Hedge.

"Insurance Proceeds" means payments received with respect to the Mortgage Loans under any insurance policy or guarantee or under any fidelity bond or pursuant to a transfer of amounts held in the Insurance Reserve Account.

"Investment Obligations" means to the extent authorized by the Act for investment of moneys of the Department: (i) Government Obligations or obligations, rated in the highest letter rating category by each of the Rating Agencies, of any state of the United States of America or any political subdivision of such a state, payment of which is secured by an irrevocable pledge of such government obligations; (ii) bonds, debentures or other obligations issued by Federal Land Banks, Fannie Mae, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Home Loan Banks, Federal Farm Credit Banks, the Tennessee Valley Authority, Farm Credit System Financial Assistance Corporation and the Resolution Funding Corporation; (iii) obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America; (iv) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state (as used in the Indenture, "deposits" means obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured, to the extent not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, by direct obligations of the United States having a market value (exclusive of accrued interest) not less than the uninsured amount of such deposit or (b) secured to the extent, if any, required by the Department and made with an institution whose debt securities are rated at least equal to the then existing rating on the Bonds (or equivalent rating of short-term obligations if the investment is for a period not exceeding one year) by the Rating Agencies; (v) repurchase agreements backed by or related to obligations described in (i), (ii) or (iii) above with any institution [x] whose debt securities are rated at least equal to the then existing rating on the Bonds (or equivalent rating of short-term obligations if the investment is for a period not exceeding one year) by the Rating Agencies or [y] which will not impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies; (vi) investment agreements, secured or unsecured as required by the Department, with any institution whose debt securities are rated at least equal to the then existing rating on the Bonds (or equivalent rating of short-term obligations if the investment is for a period not exceeding one year) by the Rating Agencies; (vii) if rated at least as high as the letter rating category assigned to the Bonds by the Rating Agencies, direct and general obligations of or obligations guaranteed by any state or possession of the United States or the District of Columbia, to the payment of the principal of and interest on which the full faith and credit of such state, possession or the District of Columbia is pledged; (viii) obligations representing an ownership interest in the Oregon Short Term Fund or the obligations underlying the Oregon Short Term Fund; (ix) obligations of any agency controlled or supervised by and acting as an instrumentality of the United States government pursuant to authority granted by the Congress of the United States whose timely payment is unconditionally guaranteed by the

United States of America; or (x) short-term money market or investment funds or trusts (a) that are comprised exclusively of Government Obligations, (b) rated the highest short-term rating or at least the then-existing rating on the Bonds assigned to them by the Rating Agencies that are comprised exclusively of obligations described in clauses (i) through (ix) above, or (c) which will not impair, or cause the Bonds to fail to retain, the then–existing rating assigned to them by the Rating Agencies; *provided*, that it is expressly understood that the definition of Investment Obligations will be, and be deemed to be, expanded, or new definitions and related provisions will be added to the Indenture, thus permitting investments with different characteristics from those permitted which the Director deems from time to time to be in the interest of the Department to include as Investment Obligations, as reflected in a Director's Determination, if at the time of inclusion such inclusion will not, in and of itself, impair, or cause the Bonds to fail to retain, the then existing rating assigned to them by the Rating Agencies.

"Mortgage Pool Insurance" means a policy of insurance issued by a Private Mortgage Insurer providing for coverage on the full amount of any loss realized as a result of default in payment of principal of and interest on a Mortgage Loan (after taking into account amounts payable with respect thereto under any other insurance or guarantee), subject to a limitation on aggregate claims of 10% of the original principal amount of all Mortgage Loans financed by the related Series of Bonds.

"102% Parity Test" has the meaning set forth below under "Release of Amounts Free of Lien of the Indenture."

"Outstanding Bonds" means, as of any date, all Bonds theretofore authenticated and delivered by the Trustee under the Indenture, except:

(a) any Bond cancelled by, or delivered for cancellation to, the Trustee because of payment at maturity or redemption or purchase prior to maturity;

(b) any Bond deemed paid in accordance with the defeasance provisions of the Indenture; and

(c) any mutilated, destroyed or lost Bond in lieu of or in substitution for which another Bond has been authenticated and delivered pursuant to the Indenture, unless proof satisfactory to the Trustee is presented that any mutilated, destroyed or lost Bond for which a Bond in lieu thereof or in substitution therefor has been authenticated and delivered is held by a bona fide purchaser, as that term is defined in Article Eight of the Uniform Commercial Code of the State, as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds authenticated and delivered in lieu thereof or in substitution therefor will be deemed Outstanding.

"Parity Hedge Obligation" has the meaning set forth below under "Qualified Hedges."

"Parity Interest" means interest on Bonds and Parity Hedge Obligations.

"Parity Obligation" means Parity Interest and Parity Principal.

"Parity Obligation Instrument" means an instrument or other contractual arrangement, including Bonds, evidencing the Department's obligation to pay the Parity Obligation.

"Parity Principal" means principal of Bonds.

"Party" or "Parties" means any person(s), other than the Department, that is (are) a party (parties) to a Parity Obligation Instrument other than Bonds.

"Permitted Encumbrances" means (i) intervening liens of contractors, subcontractors, suppliers of materials and equipment and laborers as to which, by a bond or letter of credit or other lawful means acceptable to the Department, indemnity has been provided or similar steps to secure the interest of the Department have been taken, (ii) ad valorem property taxes ratably accrued but not yet due and payable, (iii) severed mineral estates or interests, owned by others, and (iv) such other liens, encumbrances, reservations and other clouds on title as the Department determines do not materially impair the use or value of the premises.

"Pledged Property" means (a) all right, title and interest of the Department in and to the Guaranteed Mortgage Securities and in and to all other Mortgage Loans and related mortgage notes and mortgages (subject to the prior right of mortgagors to receive mortgage payment credits, or the U.S. Treasury Department to receive rebates, as required by the Code), financed with the proceeds of the Bonds and delivered to the Trustee to be held in trust under the Indenture, including (i) the present and continuing right to make claim for, collect, receive and receipt for all amounts receivable by the Department thereunder, (ii) to bring actions and proceedings under the mortgage notes and related mortgages or for the enforcement thereof, and (iii) to do any and all things that the Department is or may become entitled to do under the mortgage notes and related mortgages; (b) the proceeds of the sale of Bonds, Revenues and all other moneys in all Accounts established under the Indenture, including the investments, if any, thereof, and earnings, if any, thereon (other than (x) earnings on amounts held in special trust to pay debt service on the Parity Obligation Instruments, including Bonds, and any amounts held in the Special Account or (y) as may be set forth in a Housing Finance Bond Declaration or Supplemental Indenture with respect to any Account therein created) until applied in accordance with the terms of the Indenture; and (c) the money, securities and funds and all other right of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security under the Indenture.

"Prepayment" means any payment by a mortgagor or other recovery of principal on a Mortgage Loan which is not applied to a scheduled installment of principal and interest on a Mortgage Loan (including any deficiency in the payment of any scheduled installments of principal and interest then due and payable or interest paid in connection with a voluntary prepayment of a Mortgage Loan) and the portion of any Insurance Proceeds (to the extent not applied to the repair or restoration of any mortgaged premises), Liquidation Proceeds or other payments representing such principal amounts. The Bond Declarations provide that Prepayments shall also include prepayments of 2024 Series C Guaranteed Mortgage Securities.

"Principal" means (a) as such term references the principal amount of a Discount Bond or Discount Bonds, and with respect to (i) actions, requests, notifications, consents or direction of Bondowners related generally to events of default, matters affecting actions by Fiduciaries and supplemental indentures, (ii) required payment of principal on Bonds upon default or anticipated default pursuant to acceleration of maturity or otherwise, and (iii) the calculation of the percentage of Outstanding principal amount of Bonds for purposes of the 102% Parity Test, the Accreted Value thereof, calculated as of the interest payment date immediately preceding such date of calculation (unless such date of calculation is an interest payment date, in which case calculated as of the date of calculation) and (b) unless otherwise stated with respect to a Series of Bonds in the related Housing Finance Bond Declaration, as such term references the principal amount of any other Bond or Bonds, and with respect to any other matters affecting a Discount Bond or Discount Bonds, the principal amount at maturity of such Bond or Bonds.

"Private Mortgage Insurance" means a policy of insurance issued by a Private Mortgage Insurer providing for coverage on losses realized as a result of default in payment of principal of and interest on a Mortgage Loan.

"Private Mortgage Insurer" means a company qualified to provide insurance on mortgage loans purchased by the Federal Home Loan Mortgage Corporation or Fannie Mae, or any other agency or instrumentality of or chartered by the United States to which the powers of either of them have been transferred or which has similar powers to purchase mortgage loans, which company's claims paying ability is rated by each of the Rating Agencies (i) if the company is the obligor on Private Mortgage Insurance, in one of its three highest letter rating categories at the time the Mortgage Loan subject to such Private Mortgage Insurance is financed by the Department and (ii) if the company is the obligor on Mortgage Pool Insurance, in at least as high a respective letter rating category as that assigned to the Bonds by such Rating Agencies at the time the policy is delivered to or on behalf of the Department.

"Qualified Hedge" means, to the extent from time to time permitted by law, any financial arrangement (i) which is entered into by the Department with an entity that is a Qualified Hedge Provider at the time the arrangement is entered into; (ii) which is a cap, floor or collar; forward rate; future rate; swap; asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto or any similar arrangement; (iii) which is executed by the Department for the purpose of debt management, including managing interest rate fluctuations on Bonds and/or Mortgage Loans, but not for purposes of speculation; (iv) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Hedge; and (v) which is entered into in compliance with the provisions of the Indenture described below under "Qualified Hedges."

"Qualified Hedge Provider" means an entity (a) whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, at the time of entering into the related Qualified Hedge, are rated at least in the AA category (or an equivalent rating) by the Rating Agencies, or whose payment obligations under a Qualified Hedge are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability are rated at least AA (or an equivalent rating) by the Rating Agencies, or (b) whose payment obligations under the related Qualified Hedge are secured by a collateral agreement that, at the time of entering into the collateral agreement, is rated, or the entity's (or a guarantor of the entity's) obligations under the collateral agreement are rated, at least AA (or an equivalent rating) by the Rating Agencies; *provided,* that it is expressly understood that the definition of Qualified Hedge Provider will be, and be deemed to be, expanded, or new definitions and related provisions will be added to the Indenture by a Supplemental Indenture, thus permitting hedge providers with different characteristics from those permitted pursuant to (a) or (b) which the Department deems from time to time to be in the interests of the Department to include as Qualified Hedge Providers if at the time of inclusion such inclusion will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies.

"Rating Agencies" means the rating agency or agencies that have an outstanding rating on any of the Bonds, pursuant to request by the Department.

"Regular Record Date" means the 15th day of the month (whether or not a Business Day) preceding any interest payment date on the Bonds.

"Revenues" means all moneys received by or on behalf of the Department or Trustee representing (i) principal and interest payments on the Mortgage Loans (including payments with respect thereto from the Insurance Reserve Account) including all Prepayments representing the same and all prepayment premiums or penalties received in respect to the Mortgage Loans, (ii) proceeds of the sale of Mortgage Loans by or on behalf of the Department, (iii) interest earnings received on the investment of amounts in any Account (other than (x) earnings on amounts held in special trust to pay debt service on the Bonds and earnings on amounts held in the Special Account or (y) as may be set forth in a Housing Finance Bond Declaration or Supplemental Indenture with respect to any Account therein created), (iv) amounts deposited with the Trustee and reflected in the current Cash Flow Statement as necessary for the purposes of such Cash Flow Statement, (v) excess amounts transferred from the Debt Reserve Account to the Revenue Account and (vi) Hedge Receipts and Termination Receipts received pursuant to a Qualified Hedge. The Bond Declarations provide that Mortgage Loans shall include 2024 Series C Guaranteed Mortgage Securities for purposes of this definition.

"Series" means one of the series of Bonds issued under the Indenture.

"Special Record Date" means the date established by the Trustee for recognition on the registration books of the Department of ownership of Bonds which have been in default and as to which the Department has determined to make payment, notice of which will be mailed to Bondowners not less than ten days prior to such Special Record Date.

"Subordinated Contract Obligation" means any payment obligation of the Department (other than a payment obligation constituting a Parity Obligation) arising under (a) any Qualified Hedge, or portion of a Qualified Hedge, which has been designated as constituting a "Subordinated Contract Obligation" pursuant to the Housing Finance Bond Declaration or Director's Determination authorizing such Qualified Hedge, and (b) any other contract, agreement or other obligation authorized by a Housing Finance Bond Declaration or Director's Determination and designated as constituting a "Subordinated Contract Obligation" pursuant to such authorizing Housing Finance Bond Declaration or Director's Determination. Each Subordinated Contract Obligation will be payable from the Pledged Property subject and subordinate to the payments to be made with respect to the Parity Obligation, and will be secured by a lien on and pledge of the Pledged Property all as set forth in the Indenture or in the related Housing Finance Bond Declaration or a Director's Determination.

"Termination Payment" means, with respect to a Qualified Hedge, an amount required to be paid by the Department to a Qualified Hedge Provider as a result of the termination of the related Qualified Hedge or required to be paid by the Department into a collateral account as a source of payment of any termination payments, provided that Termination Payments will always be Subordinated Contract Obligations.

"Termination Receipt" means an amount required to be paid to the Department under a Qualified Hedge by the Qualified Hedge Provider as a result of the termination of such a Qualified Hedge.

"Value of the Property" means the lower of (i) the appraised value of the residential property securing a Mortgage Loan at the time the Mortgage Loan is closed, such appraised value being the fair market value as determined by an appraiser acceptable to the Department or (ii) the purchase price paid for the residential property securing a Mortgage Loan.

Notice of Redemption

The Indenture requires that notice of redemption be mailed not less than 15 days but not more than 90 days prior to the redemption date.

Regulations with Respect to Exchanges and Transfers

For every exchange or registration of transfer of Bonds the Department or, at the direction of the Department, the Trustee, may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer. Neither the Department nor the Trustee is required to make any such exchange or registration of transfer of Bonds during the 15 days preceding the date of first publication of notice of redemption, or after such Bonds or any portion thereof have been selected for redemption.

Provisions for the Issuance of Bonds

The Indenture authorizes Bonds to be issued from time to time in one or more Series without limitations as to amount except as may be provided by law. The Bonds of a Series, including Bonds issued to refund all or a portion of any other series of Bonds, may be authenticated and delivered only upon receipt by the Trustee of, among other things:

(a) A certified copy of the Indenture and the Housing Finance Bond Declaration authorizing such Series of Bonds;

(b) A counsel's opinion stating that (i) the Housing Finance Bond Declaration has been duly and lawfully executed and approved and is in full force and effect, (ii) the Indenture has been duly and lawfully authorized, executed and delivered by the State and is valid and binding upon, and enforceable against the State (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject to general principles of equity (whether considered in a proceeding at law or equity)), (iii) all conditions precedent to the delivery of said Bonds contained in the Indenture have been fulfilled, and (iv) said Bonds are valid and binding obligations of the State;

(c) A Cash Flow Statement pursuant to the requirements of the Indenture;

(d) A request and authorization to the Trustee signed by an Authorized Officer to authenticate and deliver such Bonds to the purchaser or purchasers identified therein upon payment to the Trustee for the account of the Department for the purchase price therefor; and

(e) With respect to refunding Bonds, a certificate of an Authorized Officer stating that the proceeds (excluding accrued interest but including any premium) of such refunding Bonds, together with any moneys to be withdrawn from the Revenue Account and the Debt Reserve Account by the Trustee and any other moneys which have been made available to the Trustee for such purposes, or the principal of and the interest on the investment of such proceeds or any such moneys, will be not less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Bonds to be refunded and the interest which will become due and payable on or prior to the date of their payment or redemption, the financing costs in connection with such refunding and to make any deposit to the Debt Reserve Account required by the Indenture.

Upon authentication and execution of such Bonds as required in the Indenture and receipt by the Trustee of the documents set forth above, the Trustee must deliver such Bonds to the purchasers thereof, but only upon payment to the Trustee of the purchase price thereof.

In addition, simultaneously with the delivery of such Bonds the Trustee must apply the proceeds of such Bonds to the accounts as specified in the Indenture.

Application of Bond Proceeds and Other Amounts

Upon delivery of any Series of Bonds, an amount at least equal to the Debt Reserve Requirement is required to be deposited into the Debt Reserve Account and to the extent required by the applicable Housing Finance Bond Declaration, an amount will be deposited into the Insurance Reserve Account. Proceeds of the Bonds and other amounts delivered upon issuance of Bonds, less an amount equal to the Costs of Issuance for such Bonds, which is required to be paid to the Department free and clear of the lien of the Indenture, and all or a portion of the Expenses as set forth in the applicable Housing Finance Bond Declaration, not required to be deposited into the Debt Reserve Account and which do not represent a premium, accrued interest or capitalized interest, are required to be deposited (except in the case of refunding Bonds) in the Series Subaccount within the Acquisition Account.

Qualified Hedges

The Department may, to the extent from time to time permitted pursuant to law, enter into Qualified Hedges. The Department's obligation to pay any amount under any Qualified Hedge may be secured by a pledge of, and a lien on, the Pledged Property, subject to the last sentence of this paragraph and subject to the last sentence under "Events of Default" below, on a parity with the lien securing Parity Obligations (a "Parity Hedge Obligation"), or may constitute a Subordinated Contract Obligation, as determined by the Department. No Qualified Hedge constituting a Parity Hedge Obligation may be entered into by the Department *unless* it has received (i) a signed writing from a financial advisor (nationally recognized on matters related to state and local government obligations) to the effect that the execution and implementation of such Parity Hedge Obligation is not expected to adversely affect the interest of the Bondowners, and (ii) evidence that the execution and delivery of such Parity Hedge Obligation at the time of such execution and delivery will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies. Parity Hedge Obligations do not include any payments of any termination (including Termination Payments) or other fees, expenses, indemnification or other obligations (other than Parity Interest) to a Party to a Qualified Hedge, which payments will be Subordinated Contract Obligations.

Establishment of Accounts

The Indenture establishes an Acquisition Account, Revenue Account, Debt Reserve Account and Insurance Reserve Account within the Housing Finance Fund. Amounts in these Accounts are to be held in trust by the Trustee separate and apart from all other funds of the Department.

Acquisition Account

Upon the issuance of a Series of Bonds, the Trustee is required to establish a Series Acquisition Subaccount within the Acquisition Account applicable to such Series of Bonds and must deposit the proceeds thereof into such Subaccount in the amount designated in the applicable Housing Finance Bond Declaration; provided, that the applicable Housing Finance Bond Declaration may provide that proceeds of a Series of Bonds must be deposited to the credit of any Series Acquisition Subaccount established with respect to any other Series of Bonds.

Under the conditions set forth in the applicable Housing Finance Bond Declaration, the Trustee must transfer from any Series Acquisition Subaccount to the Revenue Account any amount specified in a written request by the Department from time to time for the purpose of redeeming or purchasing Bonds.

Costs of Issuance

Upon the issuance of a Series of Bonds, the Department must apply amounts designated in the related Housing Finance Bond Declaration to pay the Costs of Issuance related to the applicable Series of Bonds.

Revenue Account

(a) The Department will transfer to the Trustee all Revenues as received by the Department no less frequently than once every six-month period ending on the business day preceding each interest payment date. Except as described below under "Investment of Moneys," all Revenues are to be deposited in the Revenue Account as received by the Trustee.

(b) At any time from any amounts on deposit in the Revenue Account, the Trustee, upon direction of an Authorized Officer accompanied by a Cash Flow Statement, will endeavor to purchase Bonds or portions of Bonds then Outstanding, whether or not such Bonds or portions of Bonds are then subject to redemption, at the most advantageous price obtainable with reasonable diligence, such price not to exceed the principal amount of such Bonds or portion of Bonds, plus accrued interest. The expenses in connection with the purchase of any such Bonds will be paid by the Trustee from the Revenue Account or from any other moneys available therefor.

(c) Upon request by the Department, the Trustee will apply amounts deposited in the Revenue Account, representing Bond proceeds designated for accrued interest and capitalized interest on the Bonds, to pay for accrued interest in connection with the Trustee's purchase of Investment Obligations for deposit in any Account.

(d) The Trustee will transfer to the credit of the applicable Series Acquisition Subaccount amounts expended to pay accrued interest on the purchase of Mortgage Loans funded from amounts on deposit in such Account.

(e) At any time, upon written direction from an Authorized Officer accompanied by a Cash Flow Statement, the Trustee will transfer amounts in the Revenue Account to the credit of any Series Acquisition Subaccount or must apply amounts in the Revenue Account to the redemption of Bonds.

(f) As of each interest payment date, the Trustee must transfer, set aside or apply, as applicable, amounts in the Revenue Account in the following order: (i) an amount equal to any interest previously due and unpaid on the Bonds plus the interest on the Bonds which will become due and payable on such interest payment date (including any accrued interest payable in connection with a redemption of Bonds on such date), plus any Parity Interest which is not already included under this clause (i), will be set aside in special trust and applied as required under the Indenture; (ii) an amount equal to (a) an amount sufficient to cause the amounts on deposit in the Revenue Account, other than with respect to Sinking Fund Requirements, to equal any principal of the Bonds previously due and unpaid plus principal of the Bonds which is payable on such interest payment date, plus, if maturing principal of any Bonds is payable only once during each Bond Year, then one-half of the principal of such Bonds which is payable on the next succeeding interest payment date, plus (b) an amount sufficient to cause the amounts deposited in the Revenue Account with respect to Sinking Fund Requirements in the immediately preceding Bond Year or semiannual period, as applicable, to equal the redemption prices applicable to the Sinking Fund Requirements, if any, for such Bond Year or period, respectively, or, if other than on the first day of the Bond Year (with respect to Sinking Fund Requirements based upon a Bond Year), one-half of the redemption prices applicable to such Sinking Fund Requirement, will be set aside in special trust and applied as required under the Indenture; and (iii) an amount must be transferred to the credit of the Debt Reserve Account sufficient to cause the amount on deposit in said Account to equal the Debt Reserve Requirement.

Payment of Principal and Interest

On each interest payment date (provided that if such date is a bank holiday then on the first business day thereafter), the Trustee will remit by mail or other method of transfer acceptable to the Department the amounts required for paying the Parity Interest as such becomes due and payable (i) to each owner of Bonds on such Bonds and (ii) to each Qualified Hedge Provider.

On each principal payment date (provided that if such date is a bank holiday then on the first business day thereafter), the Trustee will set aside in the Revenue Account the amounts required for paying the principal of Serial Bonds as such principal becomes due and payable.

The Trustee will call for redemption on the first day immediately following such Bond Year (with respect to annual Sinking Fund Requirements), or on the next succeeding interest payment date (with respect to semi-annual Sinking Fund Requirements), respectively, from moneys in the Revenue Account set aside for such purpose a principal amount of such Term Bonds or portions of Term Bonds of such Series then subject to redemption equal to the Sinking Fund Requirements for the Term Bonds of such Series and of each maturity for such respective period less the principal amount of any such Term Bonds previously retired by purchase. If the amount available in the Revenue Account in such Bond Year or such semi-annual period, as applicable, is not equal to the redemption prices applicable to the Sinking Fund Requirements for the Term Bonds of each such Series for such respective period less the Redemption Prices applicable to the principal amount of any such Term Bonds so retired by purchase, then the Trustee will apply the amount available in the Revenue Account to such redemption as required by direction of an Authorized Officer or, if no such direction has been timely delivered to the Trustee, such amount will be applied in proportion to the redemption prices applicable to the Sinking Fund Requirements for such respective period for the Term Bonds of each Series then Outstanding.

Debt Reserve Account

Moneys held for the credit of the Debt Reserve Account will be transferred or drawn upon for transfer, as applicable, by the Trustee to the Revenue Account to the extent that amounts on deposit therein are insufficient to pay Parity Interest or Parity Principal or redemption price payable on the Parity Obligation Instruments.

Moneys held for the credit of the Debt Reserve Account as of any interest payment date in excess of the Debt Reserve Requirement, upon request by the Department, will be transferred to the Revenue Account and thereafter treated as Revenues.

Release of Amounts Free of Lien of the Indenture

On any interest payment date, moneys held in the Revenue Account after application pursuant to the Indenture to pay debt service on the Bonds and any remaining Parity Interest and replenish the Debt Reserve Account, if necessary, will be transferred as follows:

(i) *first,* to the payment of Expenses, not to exceed in any Bond Year the aggregate of such amounts as are set forth with respect to all Series of Bonds in the respective Housing Finance Bond Declarations; and

(ii) *second,* to retirement of any Bonds required to be retired pursuant to the provisions of agreements with liquidity providers; *provided, however,* that such amounts will be payable only if and to the extent that a Cash Flow Statement has been filed with the Trustee, the requirements of all Accounts (other than the Insurance Reserve Account) established by the Indenture and the Act have been met and such Cash Flow Statement shows that, following each transfer for such Bond retirement, the aggregate of the amounts on deposit in the Acquisition Account, Revenue Account and Debt Reserve Account (determined, with respect to Investment Obligations, by reference to Amortized Value plus accrued interest thereon), plus the aggregate principal balances of all Mortgage Loans and Guaranteed Mortgage Securities, plus accrued interest thereon (provided, that the Mortgage Loans related to properties acquired by the Department will be valued for these purposes at one-half of the outstanding principal balance thereof at the time of the

Department's acquisition thereof), at least equal one hundred two percent (102%) of the aggregate outstanding principal amount of the Bonds plus accrued interest thereon (collectively, the "*102% Parity Test*"); and

(iii) *third,* unless otherwise provided in the Housing Finance Bond Declaration or the Director's Determination authorizing a Qualified Hedge, pursuant to the terms of any Qualified Hedge, to pay to Qualified Hedge Providers the amount of Subordinated Contract Obligations then due, *but* if available amounts are insufficient for such purposes, the amounts payable pursuant to each Qualified Hedge will be pro rata based upon the respective amounts due thereunder; *provided, however,* that no such payment will be made unless a Cash Flow Statement satisfying the 102% Parity Test has been filed with the Trustee; and

(iv) *fourth,* to the Department free and clear of the pledge and lien of the Indenture; *provided, however,* that no such payment to the Department will be made unless a Cash Flow Statement satisfying the 102% Parity Test has been filed with the Trustee.

Deficiencies in Revenue Account

In the event that amounts in the Revenue Account are insufficient on any Parity Obligation payment date to pay the principal of and interest on the Bonds due and unpaid on such date, or to pay amounts due under Qualified Hedges that are Parity Interest, amounts will be withdrawn, first from the Debt Reserve Account, second from the Acquisition Account and third from the Insurance Reserve Account, to the extent necessary to eliminate any such deficiency.

Moneys Sufficient to Pay Bonds and Other Parity Obligation Instruments

Whenever moneys and securities in the Debt Reserve Account and the Revenue Account are sufficient to pay, purchase or redeem the Bonds in whole and to pay all Parity Interest under Qualified Hedges in whole on the next interest payment date, and upon request by the Department, the Trustee will apply such moneys to the payment, purchase or redemption of the Bonds and payment of such Parity Interest under the Qualified Hedges, subject to the related Housing Finance Bond Declaration or Director's Determination.

Moneys Held in Trust

Amounts set aside to pay Parity Obligation Instruments until paid out to Bondowners or Parties must be held in special trust for such Bondowners or Parties and may be invested by the Trustee until dispensed and the earnings thereon will be paid to the Department as and when received by the Trustee free and clear of the lien of the Indenture.

Security for Deposits

Any and all money held by the Trustee in any Account, except as otherwise expressly provided in the Indenture, will be held in trust, and will not be subject to any lien, charge or attachment by any creditor of the Department or State.

All money deposited with the Trustee in any Account will, until invested, to the extent such deposits are in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency, be continuously secured for the benefit of the Department, the Bondowners and the Parties either (a) by lodging with the bank or trust company approved by the Department (the Trustee being approved by the Indenture as such bank or trust company) and by the Trustee, as custodian, or, if then permitted by law, by setting aside under control of the trust department of the bank holding such deposit as collateral security, Government Obligations or, with the approval of the Trustee, other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency of the United States of America, having a market value at all times (exclusive of accrued interest) not less than the amount of such deposit, or (b) if the furnishing of security as provided in clause (a) above is not permitted by applicable law, then in such other manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds; provided, however, that it will not be necessary, except as otherwise expressly provided, for the Trustee to give security for any money represented by obligations purchased as an investment of such money.

Investment of Moneys

Moneys deposited will, as nearly as is practicable, be fully and continuously invested or reinvested by the Trustee upon the direction of the Department in Investment Obligations which will be in such amounts and bear interest at such rates with the objective that sufficient money will be available to pay the Parity Interest when due and will mature, or will be subject to redemption at the option of the holder, with the objective that sufficient money will be available for the purposes intended. Except as provided in the immediately previous sentence, money held in any Account will, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in accordance with a Department Request in Investment Obligations which mature, or which are subject to redemption at the option of the holder, not later than the respective dates when the money held for the credit of each such Account will be required for the purposes intended.

Except as described above under "Moneys Held in Trust" and under this heading "Investment of Moneys," any interest paid on the investments in any Account will be credited to the Revenue Account and thereafter treated as Revenues, provided interest paid on the investments in the Insurance Reserve Account will be retained therein unless otherwise directed by the Department to be transferred to the Revenue Account. Any profit or loss resulting from such investment will be credited to or charged against the Account. The Trustee will sell at the best price obtainable or present for redemption any obligations whenever it is necessary to do so in order to provide money to meet any payment or transfer from any such Account. Neither the Trustee nor the Department will be liable or responsible for any loss resulting from any such investment.

In computing the amount on deposit to the credit of any Account, obligations in which money in such Account have been invested must be valued at Amortized Value plus the amount of interest on such obligations purchased with moneys in such Account.

Payment of Bonds

The Department covenants that it will promptly pay, but solely from the Accounts established under the Indenture, the principal or redemption price of every Bond and the interest thereon, on the dates and at the places and in the manner specified in the Indenture and in the Bonds, and will duly and punctually pay or cause to be paid all sinking fund payments, if any, becoming payable with respect to any Bonds.

Tax Covenants

The Department will at all times perform all acts and things permitted by law and necessary and desirable in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes under any valid provision of law.

The Department covenants and agrees that it will not make or permit any use of the proceeds of the Bonds that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and further covenants that it will observe and not violate the requirements of the Code and regulations promulgated thereunder.

The Department further covenants and agrees with regard to compliance with the Code, as follows:

(a) The Department will take all reasonable steps to meet all the requirements of the Code, and, in the case of requirements that relate to the eligibility of the Mortgage Loans, or mortgage loans underlying Guaranteed Mortgage Securities, for tax-exempt financing specified in the Code, will take all reasonable steps to meet, and require the Mortgage Lenders to take all reasonable steps to meet, such requirements before the Mortgage Loans, or mortgage loans underlying Guaranteed Mortgage Securities, are executed, and will establish reasonable procedures to ensure compliance with such requirements.

(b) The Department or its agent will conduct, or require the Mortgage Lenders to conduct, a reasonable investigation to determine whether the requirements that relate to the eligibility of the Mortgage

Loans, or mortgage loans underlying Guaranteed Mortgage Securities, for tax-exempt financing have been satisfied and will correct, or require the Mortgage Lenders to correct, any failure to meet such requirements within a reasonable time after the failure is discovered by the Department or its agent or the applicable Mortgage Lender.

(c) The Department will assure that mortgagors are provided the credit on Mortgage Loan or underlying mortgage loan payments, or the U.S. Treasury is provided with the rebate, required by the Code.

The provisions set forth above will apply only to the Parity Obligation Instruments as to which the interest on the related Bonds will be excludable from gross income for federal income tax purposes, as determined in the related Housing Finance Bond Declaration.

Books and Records

The Trustee will keep proper books of record and account in which complete and accurate entries will be made of all its transactions relating to the receipts, disbursements, allocations and applications of all Mortgage Loan and Guaranteed Mortgage Securities repayments received by the Trustee under the Indenture, and such books will be available for inspection by the Department and any Bondowner during business hours, upon reasonable notice and under reasonable conditions.

On or before the tenth business day of each month the Trustee will furnish to the Department in accordance with the Indenture a statement of the Department's revenues and expenditures and of the changes in its fund balances during the previous month.

The Department will keep proper books of records and account for all its transactions, other than those recorded in the books maintained by the Trustee, and such books will be available for inspection by the Trustee and any Bondowner during business hours and upon reasonable notice.

Annual Audit and Report

Within 180 days of the end of each Bond Year, the Department will furnish to the Trustee (i) a statement of its revenues and expenses and of the changes in its fund balances during the previous Bond Year, certified to by an accountant and (ii) a report of its activities during the previous Bond Year.

Sale of Mortgage Loans

The Department may sell any Mortgage Loan held under the Indenture to realize the benefits of mortgage insurance or guaranty, or to replace or dispose of defective Mortgage Loans or for any other reason deemed appropriate by the Department.

Issuance of Additional Obligations

The Department, so long as any Parity Obligation is Outstanding, will not issue any bonds, notes or other evidences of indebtedness, other than the Parity Obligation Instruments, secured by any pledge of, or other lien or charge on, the Pledged Property nor will the Department create or cause to be created any lien or charge on the Pledged Property, other than the lien and pledge created under the Indenture. The Department may issue any bonds, notes or other evidences of indebtedness, which are payable from or secured by a lien and pledge on the Pledged Property provided that payment of such evidences of indebtedness and such lien and pledge are in all respects subordinate to the provisions of the Indenture and the lien and pledge created by the Indenture and any such evidences of indebtedness contain an appropriate recital with respect to such subordination.

Events of Default

Each of the following events is an "Event of Default":

(a) payment of the principal or Redemption Price of any Bond is not made when due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any of the Bonds is not made when due and payable; or

(c) the State defaults in the due and punctual performance of any of the covenants or agreements contained in the Bonds or in the Indenture, and such default continues for a period of 90 days after written notice thereof to the Department by the Trustee, at its discretion or at the written request of the owners of not less than 25% in aggregate principal amount of the Outstanding Bonds.

Under no circumstances will the Department's failure to pay (i) Parity Obligations with respect to any Parity Obligation Instruments other than Bonds, (ii) Termination Payments or (iii) Subordinated Contract Obligations, constitute an Event of Default.

Remedies

Upon the happening and continuance of any Event of Default specified above, the Trustee may, and upon the written direction of the owners of not less than 51% in aggregate principal amount of the Bonds then Outstanding, must, by notice in writing to the Department, declare the principal of all the Bonds then Outstanding to be due and payable immediately; provided, that if at any time after the principal of the Bonds has been so declared to be due and payable, before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy, under the Indenture, money has accumulated in the Revenue Account sufficient to pay arrears of Parity Principal and Parity Interest, if any, upon all the Parity Obligation Instruments then Outstanding, and the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee and the Department and all other amounts then payable by the Department under the Indenture have been paid or a sum sufficient to pay the same has been deposited with the Trustee, and every other default known to the Trustee in the observance or performance of any covenant, condition or agreement or provision contained in the Bonds or in the Indenture (other than a default in the payment of the Parity Principal then due and payable only because of such a declaration) has been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the owners of not less than 51% in the aggregate principal amount of the Bonds not then due and payable by their terms and then Outstanding will, by written notice to the Department, rescind and annul such declaration and its consequences, but no such rescission or annulment will extend to or affect any subsequent default or impair any right consequent thereon.

Upon the happening and continuance of any Event of Default specified above, then in every such case the Trustee may proceed, and upon the written direction of the owners of not less than 25% in aggregate principal amount of the Outstanding Bonds will proceed, to protect and enforce its rights and the rights of the Bondowners under applicable laws or under the Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Indenture or in aid or execution of any power granted in the Indenture or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights.

In the enforcement of any remedy under the Indenture the Trustee will be entitled to sue for, enforce payment of and recover judgment for, in its own name and as Trustee of an express trust, any and all amounts then or after any default becoming, and at any time remaining, due from the Department for principal, premium, if any, interest or otherwise under any of the provisions of the Indenture or the Bonds and unpaid, with, to the extent permitted by the applicable law, interest on overdue payments of principal and of interest at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under the Indenture and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondowners, and to recover and enforce any judgment or decree against the Department, but solely as provided in the Indenture and in the Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect, in any manner provided by law, the money adjudged or decreed to be payable.

Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, will institute and maintain such suits and proceedings as it may be advised are necessary or expedient (i) to prevent any impairment of the Pledged Property by any acts which may be unlawful or in violation of the Indenture or of any resolution authorizing the issuance of the Bonds, or (ii) to preserve or protect the interests of the Bondowners, provided that such request is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the owners of Bonds not making such request.

Priority of Payments After Default

Anything in the Indenture to the contrary notwithstanding, if at any time the money in the Accounts is insufficient for the payment of principal of or interest then due on the Bonds, such money and any other amounts received or collected by the Trustee are to be applied as follows, after making provision for the payment of expenses to protect the interests of the owners of the Bonds and of charges, expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their respective duties under the Indenture:

(a) If the principal of all Bonds has not become or been declared due and payable, all such money will be applied:

first: to the payment to the persons entitled thereto of all installments of Parity Interest (other than interest on overdue principal) then due and payable in the order in which such installments became due and payable, and, if the amount available shall not be sufficient to pay in full any installment then to the payment thereof ratably according to the amounts due on such installment to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Parity Obligation Instruments;

second: to the payment to the persons entitled thereto of the unpaid principal of any Bonds which have become due and payable (other than Bonds called for redemption for the payment of which money is held) in the order of their stated payment dates, with interest on the principal amount of such Bonds at the respective rates specified therein from the respective dates upon which such Bonds became due and payable, and, if the amount available is not sufficient to pay in full the principal of the Bonds by their stated terms due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds;

third: to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, in accordance with the provisions of the Indenture; and

fourth: to the payment of any Subordinated Contract Obligation payable pursuant to the Indenture.

(b) If the principal of all Bonds has become or been declared due and payable, all such money will be applied:

first: to the payment of all remaining Parity Interest and Parity Principal, without preference or priority of such Parity Principal over such Parity Interest or of such Parity Interest over such Parity Principal, or of any installment of such Parity Interest over any other installment of such Parity Interest, or of any Parity Obligation Instruments over any other Parity Obligation Instrument, ratably, according to the amounts due respectively for Parity Principal and Parity Interest, to the persons entitled thereto without any discrimination of preference except as to the respective rates of interest specified in the Parity Obligation Instrument; and *second*: to the payment of any Subordinated Contract Obligations payable pursuant to the Indenture.

(c) If the principal of all the Bonds has been declared due and payable and if such declaration has thereafter been rescinded and annulled under the Indenture, then, subject to the provisions of the Indenture described above in subsection (b), in the event that the principal of all the Bonds later becomes or is declared due and payable, the money remaining in and thereafter accruing to the Revenue Account and the Debt Reserve Account, together with any other money held by the Trustee under the Indenture, will be applied in accordance with the provisions of the Indenture as described above in subsection (a).

Whenever the Trustee is to apply money in accordance with the foregoing provisions, it will do so at such times, and from time to time, as it in its sole discretion determines, having due regard to the amount of such money available for application and the likelihood of additional money becoming available. Deposit of such money with the Paying Agents, or otherwise setting aside such money in trust for the proper purpose, constitutes proper application by the Trustee, and the Trustee will incur no liability to the Department, to any Bondowner, to any Party, or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with the provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee exercises such discretion in applying such money, it will fix the date (which must be an interest payment date unless the Trustee deems another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date will cease to accrue. The Trustee will give such notice as it may deem appropriate of the fixing of any such date, and will not be required to make payment to the owner of any Bond or any Party until such Parity Obligation Instrument is surrendered to the Trustee for appropriate endorsement, or for cancellation if fully paid.

Limitation on Rights of Bondowners

The owners of a majority in principal amount of the Bonds Outstanding will have the right, anything in the Indenture to the contrary notwithstanding, to direct the method and place of conducting all remedial proceedings or exercising any trust power conferred on the Trustee, provided that such direction is not inconsistent with the provisions of the Indenture and the Act and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Bondowners not joining in any such direction and provided such right will not impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with such direction by Bondowners.

No individual Bondowner may initiate legal proceedings to enforce rights under the Indenture unless such owner has given to the Trustee written notice of the Event of Default on account of which such proceeding is to be taken, and unless the owners of not less than 15% in aggregate principal amount of the Bonds then Outstanding have made written request of the Trustee after the right to exercise such right of action has occurred, and have afforded the Trustee a reasonable opportunity either to exercise the powers granted to it under the Indenture or to institute such proceedings in its or their name unless, also, there has been offered to the Trustee reasonable security and indemnity against costs, expenses and liabilities and the Trustee has refused or neglected to comply with such request within a reasonable time; provided however, that the owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding may institute any such suit, action or proceeding in their own names for the benefit of all owners of Bonds.

Notice of Event of Default

The Trustee will mail to the Department and all Bondowners written notice of each Event of Default within 30 days after the Trustee has notice that any such Event of Default has occurred. The Trustee will not, however, be subject to any liability to any Bondowner by reason of a failure to mail any such notice.

Compensation and Indemnification of Trustee

Subject to the provisions of any contract between the Department and the Trustee relating to the compensation of such Trustee, the Department will pay, from the Pledged Property, to such Trustee reasonable compensation for all services rendered under the Indenture and also all reasonable expenses, charges and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture, and, from such source only, will indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Indenture and which are not due to its negligence or default.

Resignation of Trustee

The Trustee may resign and thereby become discharged from the trusts created by the Indenture, by notice in writing to be given to the Department and published once in Authorized Newspapers, not less than 60 days before such resignation is to take effect, but such resignation will take effect immediately upon the appointment of a new Trustee under the Indenture, if such new Trustee will be appointed before the time limited by such notice and must then accept such trusts.

Removal of Trustee

The Trustee may be removed at any time by an instrument or concurrent instruments in writing executed by the owners of not less than a majority in principal amount of the Bonds secured by the Indenture and then Outstanding and filed with the Department. A facsimile copy of each such instrument will be delivered promptly by the Department to the Trustee. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Indenture with respect to the duties and obligations of the Trustee, by the Department acting alone or by any court of competent jurisdiction upon the application of the Department pursuant to resolution or of the owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding under the Indenture.

Appointment of Successor Trustee

If at any time the Trustee resigns, is removed, is dissolved or otherwise becomes incapable of acting, or the bank or trust company acting as Trustee is taken over by any governmental official, agency, department or board, the position of Trustee will thereupon become vacant. If the position of Trustee becomes vacant for any of the foregoing reasons or for any other reason, the Department will appoint a Trustee to fill such vacancy. The Department will publish notice of any such appointment once each week for two successive weeks in Authorized Newspapers.

At any time within one year after any such vacancy has occurred, the owners of a majority in principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing, executed by such Bondowners and filed with the Department, may appoint a successor Trustee, which supersedes any Trustee theretofore appointed by the Department.

If no appointment of a successor Trustee is made pursuant to the foregoing provisions within 10 days after a vacancy in the office of the Trustee has occurred, the retiring Trustee or the owner of any Bond Outstanding may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any successor Trustee must be a trust company or bank having its principal office in the State, duly authorized to exercise corporate trust powers and subject to examination by federal or State authority, of good standing, and having a combined capital, surplus and undivided profits aggregating at least $25,000,000 at the time of its appointment.

Powers of Amendment

The Department may enter into any indentures supplemental to the Indenture:

(a) to cure any ambiguity, defect or omission in the Indenture or in any Supplemental Indenture, or

(b) to grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Bondowners or the Trustee, or

(c) to include as pledged revenues or money under the Indenture any additional revenues or money legally available therefor, or

(d) to cure any ambiguity, correct or supplement any inconsistent provision, or make any additional provision not inconsistent with any provision in the Indenture, provided such action will not adversely affect the interest of the Bondowners, or

(e) to add to the covenants and agreements of the Department in the Indenture or surrender any right or power reserved to or conferred upon the Department, or

(f) to add provisions relating to Bonds with coupons or Bonds issued with book-entry delivery, if issued in such form by the Department, or

(g) to modify any provisions of the Indenture in any respect whatever; provided that such modification is effective only after all Bonds of any Series Outstanding at the date of execution by the State of such Supplemental Indenture cease to be Outstanding and any such Supplemental Indenture is referred to in the text of all Bonds authenticated and delivered after the date of execution by the State of any such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof, or

(h) to modify, amend or supplement the Indenture or any Housing Finance Bond Declaration in such manner as to permit, if presented, the qualification thereof under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or under any state Blue Sky Law, or

(i) to surrender any right, power or privilege reserved to or conferred upon the Department by the terms of the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Department contained in the Indenture, or

(j) to add to the definition of Investment Obligations pursuant to the last proviso of the definition thereof, or

(k) to make any other change that does not materially adversely affect the interest of the Bondowners (as to any change relating to security for the Bonds, evidence that such change, at the time of such change, will not, in and of itself, impair, or cause the Bonds to fail to retain, the then-existing rating assigned to them by the Rating Agencies, shall constitute sufficient evidence that such change does not materially adversely affect the interest of the Bondowners).

The holders of not less than 51% in aggregate principal amount of the Bonds then Outstanding will have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the State and the Trustee of any Supplemental Indenture deemed necessary or desirable by the Department for the purpose of modifying, altering, amending, adding to, repealing or rescinding any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that no such amendment will take place without the consent of all Bondowners affected thereby, if there is (a) a change in the terms of redemption or of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of the Revenues, or any part thereof, other than the lien and pledge created by the Indenture, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture. If any such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the owners of such Bonds will not be required.

Defeasance

If, when the Parity Obligation Instruments have become due and payable in accordance with their terms or otherwise as provided in the Indenture, or Bonds have been duly called for redemption or irrevocable instructions to call the Bonds for redemption have been given by the Department to the Trustee and (a) the whole amount of the principal of, redemption price, and the interest on all of such Parity Obligation Instruments has been paid, or (b) the Trustee holds either money, or Investment Obligations described in clause (i) of the definition thereof which are not callable or redeemable other than at the option of the holder thereof or holds both money and Investment Obligations described in clause (i) of the definition thereof which are not callable or redeemable other than at the option of the holder thereof sufficient to pay the principal of, redemption price, and interest on all Parity Obligation Instruments on their respective interest payment, stated maturity or prescribed redemption dates, provided that such Investment Obligations are in such amount that the principal of and the interest on Investment Obligations as held by the Trustee will, when due and payable, provide money which, with any and all other money held by the Trustee for such purpose under the provisions of the Indenture, will be sufficient to pay such principal of, redemption price, and the interest on such Parity Obligation Instruments and, if sufficient funds also have been provided for paying all other obligations (including amounts due under Qualified Hedges) payable under the Indenture by the Department, then and in that case the right, title and interest of the Trustee under the Indenture will thereupon cease, determine and become void, and the Trustee in such case, on demand of the Department, will release the Indenture and will release the security, and will execute such documents to evidence such release as may be reasonably required by the Department, and will turn over to the Department or to such officer, board, or body as may then be entitled to receive the same, all the remaining property held by the Trustee under the Indenture. Otherwise, the Indenture will continue and remain in full force and effect; provided, however, that in the event such Investment Obligations are deposited with and held by the Trustee as described above in this paragraph: (i) the Trustee will, within 30 days after such Investment Obligations have been deposited with it, cause a notice signed by the Trustee to be published once in Authorized Newspapers, setting forth (a) the date designated for the redemption of the Bonds, (b) that such Investment Obligations are held by it in accordance with the provisions described under this heading "Defeasance" and (c) that the Indenture has been released in accordance with the provisions described under this heading "Defeasance"; and (ii) applicable provisions of the Indenture pertaining to the payment of the principal of, redemption price, or interest on the Bonds, other Parity Obligation Instruments and other obligations (including amounts due under Qualified Hedges) payable under the Indenture by the Department, will be continued in force until such Bonds, other Parity Obligation Instruments and other obligations have been fully paid.

All money and Investment Obligations held by the Trustee pursuant to the provisions described under this heading "Defeasance" must be held in trust exclusively for and applied to the payment, when due, of the obligations payable therewith.

APPENDIX J

FORM OF PROPOSED APPROVING OPINION OF BOND COUNSEL

(Letterhead of Hawkins Delafield & Wood LLP)

State of Oregon Housing
and Community Services Department
725 Summer Street NE, Suite B
Salem, Oregon

We have examined a record of proceedings relating to the issuance by the State of Oregon (the "State") of its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series C, in the aggregate principal amount of $_________ (the "Series C Bonds"), its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series D, in the aggregate principal amount of $_________ (the "Series D Bonds") and its Mortgage Revenue Bonds (Single-Family Mortgage Program), 2024 Series E, in the aggregate principal amount of $_________ (the "Series E Bonds"; together with the Series C Bonds and the Series D Bonds, the "Bonds"), as Bond Counsel to the Housing and Community Services Department of the State (the "Department").

The Bonds are issued under and pursuant to the applicable provisions of the Oregon Constitution and Sections 286A.001 to 286A.195, inclusive, and Sections 456.515 to 456.725, inclusive, of the Oregon Revised Statutes, as amended (the "Act"), a Trust Indenture by and between the State, acting by and through the Department, and U.S. Bank Trust Company, National Association, Portland, Oregon, as trustee (the "Trustee"), dated as of May 1, 1988, as amended and restated (the "Indenture"), and two Housing Finance Bond Declarations (each, a "Bond Declaration" and collectively, the "Bond Declarations") of the Department. The Bonds are dated, mature on the dates, in the principal amounts, bear interest, if any, and are payable, as provided in the Indenture and the Bond Declarations. The Bonds are subject to redemption prior to maturity, in whole or in part, as set forth in the Indenture and the Bond Declarations.

Applicable federal tax law establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds not be included in gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). The Department has adopted documents with respect to its program (the "Program Documents") that establish procedures under which, if followed, such requirements can be met. The State has covenanted in the Indenture to at all times perform all acts and things permitted by law and necessary and desirable in order to assure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under any valid provision of law. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of the reasonable expectations made by the Department and others in connection with the Bonds. We have relied upon such covenant and have assumed compliance with and enforcement by the State and the Department of the provisions of the Indenture, the related Bond Declaration and the Program Documents.

The State is not obligated to pay the Bonds or the interest thereon except from the revenues and assets pledged therefor under the Indenture. The Bonds do not constitute a debt, liability or general obligation of the State or any political subdivision thereof, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.

We are of the opinion that:

1. The State has the right and power pursuant to the Act to enter into the Indenture, and the Indenture has been duly authorized, executed and delivered and, assuming due authorization, execution and delivery by the Trustee, constitutes a legally valid and binding obligation of the State enforceable in accordance with its terms.

2. The Bond Declarations have been duly adopted by the State, acting by and through the Department, and are valid and binding upon the State.

3. The Bonds are valid and legally binding special revenue obligations of the State secured in the manner and to the extent set forth in the Indenture and the Bond Declarations and are entitled to the benefit, protection and security of the provisions, covenants and agreements contained therein.

4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, (ii) interest on the Series C Bonds and the Series D Bonds is not treated as a preference item for purposes of calculating the alternative minimum tax under the Code; *however*, interest on the Series C Bonds and the Series D Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, (iii) interest on the Series E Bonds is treated as a preference item for purposes of calculating the alternative minimum tax imposed under the Code, and interest on the Series E Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. No opinion as to the exclusion from gross income of interest on any of the Bonds is expressed subsequent to any date on which action is taken pursuant to the Indenture or the related Bond Declaration for which action the Indenture or the related Bond Declaration requires a legal opinion to the effect that taking such action will not adversely affect such exclusion, should the undersigned not deliver an opinion as of such date to such effect.

5. Under existing statutes, interest on the Bonds is exempt from personal income taxes imposed by the State.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraphs 4 and 5 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds. We undertake no responsibility for the accuracy, completeness or fairness of any official statement or other offering materials relating to the Bonds and express herein no opinion relating thereto.

In rendering this opinion, we are advising you that the enforceability of the Bonds, the Indenture and the Bond Declarations may be limited by bankruptcy, moratorium, insolvency, or other laws affecting creditors' rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, waiver, or severability provision contained in the documents described herein.

We have examined an executed Bond of each Series and, in our opinion, the forms of said Bonds and their execution are regular and proper.

Very truly yours,